

# The NATIONAL UNDERWRITER

*Life Insurance Edition*

LIBRARY OF MONTGOMERY ARDREY MONTGOMERY ARDREY MONTGOMERY ARDREY

B-40 SEP 9 1936

## EQUITABLE *income* SETTLEMENTS

INS. LAB.

IN 1935

**34%**

OF

**EQUITABLE**

**ORDINARY**

**DEATH CLAIMS**

**WERE SETTLED**

ON A

**LIFE INCOME**

AN

**INTEREST INCOME**

OR A

**FIXED INSTALLMENT**

**BASIS**

During the past seven years there has been a substantial increase in the number and amount of Equitable death claims settled on an Income instead of on a Single Cash Sum basis.

In 1929, only 10% of the Equitable's total Ordinary death claim disbursements represented Income and Installment payments.

In 1935, over 34% of the \$54,426,000 Ordinary death claims incurred by the Equitable was, by stipulation of the insured or the request of the beneficiary, made payable under supplementary contracts involving either a Life Income, an Interest Income, or a Fixed Installment settlement.

This large increase in Income settlements is due largely to the educational activities of both Home Office and Agency Forces in acquainting policyholders and beneficiaries with this service. Concurrently with the depression of recent years a desire to obtain the best income consistent with safety has developed, and has undoubtedly contributed in some measure to the growth in supplementary contract settlements.

While certain types of policies—such as business insurance contracts and mortgage redemption policies—should be made payable in a single sum, policies that are taken for purposes of family protection may well, in the vast majority of cases, be settled on some form of Income basis. It is gratifying to note the definite trend in this direction.

## THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES

THOMAS I. PARKINSON, *President*

393 SEVENTH AVENUE, NEW YORK

FRIDAY, AUGUST 28, 1936

## *"Palmam Qui Meruit Ferat!"*

"Let him who has won it bear the palm!"

From Lord Nelson's motto we borrow the title of this advertisement. This week seventy-three members of The Ohio National Field Staff are assembled at Yellowstone National Park, guests of the Company, in recognition of their splendid production during the past Builders Club year.

To each member of the Builders Club the Officers and Directors of The Ohio National extend a hearty welcome and greet him — "Palmam qui meruit ferat!"

*The Ohio National Life Insurance Company*  
Cincinnati, Ohio

T. W. Appleby, President



## Fraternal Heads in United Front

Plan Finish Fight on O'Malley's  
Attempt to Collect Back  
Taxes

### HADLEY NEW PRESIDENT

Five Sections and Actuarial Group Meet  
Prior to General Session  
Opening

By R. B. MITCHELL

NEW YORK, Aug. 27.—A militant spirit toward Superintendent O'Malley of Missouri and others who are trying to collect alleged back taxes from the fraternal pervaded the meeting of society presidents which preceded the National Fraternal Congress's first general session here. There was no hint of compromise and it was evident that the societies are so aroused to the dangerous possibilities of the Missouri situation that they will oppose tax suits there and elsewhere with their united strength.

#### Hadley New President

S. H. Hadley, Sharon, Pa., Protected Home Circle, was elected president of the congress. Mrs. Dora Alexander Talley, Omaha, Woodmen Circle, was elected as vice-president. Mrs. Talley had completed two years as a member of the executive committee. Foster F. Farrell, Chicago, was continued as secretary and manager.

Four of the six places on the executive committee were filled by acclamation: P. F. Gilroy, Woodmen of the World, Denver, retiring president; C. L. Briggs, Maccabees; Harry Manser, New England Order of Protection; and P. P. Jurchak, Pennsylvania Slovak Union, all except Mr. Gilroy being reelections.

Other members are: W. C. Below, Fidelity Life Association, and Miss Frances D. Patridge, Woman's Benefit Association.

#### Reports and Addresses

The remainder of the general session was taken up with hearing reports of officers and committee chairmen and addresses by outside speakers, including Thomas Watters, Jr., on social security legislation; Leo Griffiths of Cassatt & Company, W. H. Smith, associate director WFA in New York City.

Col. C. B. Robbins, general manager American Life Convention, brought that organization's greetings. A representative of Mayor LaGuardia extended the official welcome to the delegates. Superintendent Pink of New York sent word that he could not attend the opening session but would speak later in the convention.

Much satisfaction was expressed at the recent victory of the fraternal in Iowa and particularly at the Missouri federal court's recent refusal to let the tax ac-

(CONTINUED ON PAGE 14)

## Use of Disability Factor

Life Companies Should Have Right to Pay Different  
Dividends on Policies with Disability Provisions

The contention that life insurance companies not only have a right to, but in many cases must, pay different dividends on life insurance policies without disability benefits than on those with disability benefits, was made by W. M. Bullitt, of Louisville, before the round table conference of the insurance section of the American Bar Association meeting in Boston.

Mr. Bullitt declared that in order to make an equitable apportionment and distribution of the divisible surplus, "a company must, by the very nature of mutual life insurance and the contribution plan, use a disability factor with respect to every disability policy; and, on the other hand, it must not use any sort of a disability factor with respect to a non-disability policy."

(An important case was decided on this subject in which payment by the New York Life of a lower scale of dividends to policyholders who had disability provisions in their contracts than to those without these provisions was upheld by the appellate division of the New York supreme court in the case of Mrs. Gertrude L. W. Rhine vs. New York Life. The case was reviewed in the July 3 issue of THE NATIONAL UNDERWRITER.)

#### Distribution of Dividends

In outlining the background of the problem, Mr. Bullitt analyzed two methods used by life companies for distribution of dividends. Under one method, called the "Rhine" method after the name of a policyholder, the companies simply paid excessive disability losses out of their general assets, with a consequent reduction in surplus, contingency reserve, dividends, or all three. Under this method no difference in treatment is made between disability and non-disability policies, presumably proceeding upon the theory that if a company made a mistake in charging too small a premium for disability policies, such an error was the company's fault and the financial consequences should be borne by the total body of policies as a whole, without distinction between them.

Under the plan used by New York Life and other companies, which may be called the New York Life method, dividends paid on disability policies vary according to the experience on that class of business. Under this plan, dividends may be the same as for policies without disability provisions, they may be smaller or larger, the amount depending on loss experience on disability contracts. Mr. Bullitt declared the Rhine method is unfair and inequitable and that a company should have the right, often for its own protection, to distribute dividends under the principles embodied in the New York Life plan.

#### Features of Contribution Plan

Under the contribution plan, which has been in general use for the past 70 years, the company returns divisible surplus to policyholders as nearly as possible in proportion to which each policy has contributed to the creation

of such surplus. There are five sources of surplus: mortality savings, interest, expense, lapse and surrender and disability benefits, if experience on those policies has been favorable.

It follows that if a company should intentionally omit from its dividend calculations any element contributing to the surplus it would be justly charged with cheating the policyholder out of a part of the surplus to which his policy had contributed. On the other hand, if a company should omit consideration of an element, which, instead of contributing to surplus constituted a loss, it would mean that the company was giving the favored policyholder more than his share and such excessive sum would be paid out of the surplus created by another policy.

#### Use Long Range Average

Mr. Bullitt pointed out that in figuring the ratio of dividend distribution, a company attempts to use a long range combined average giving its general experience on each class of business over a long period. This avoids dividends being paid on the basis of violent fluctuations from year to year. The Rhine method does not take this factor into consideration and would pay the same dividends to all classes of policies. The New York Life plan, on the other hand, maintains the principle that if experience has been unfavorable on disability policies, lower dividends should accordingly be paid on those policies. If the

(CONTINUED ON PAGE 15)

## Futz Plans to Attend Big Boston Convention

EIGHTY-FOUR, PA., Aug. 27.

—Joseph Futz, who just recently opened a life department in his local insurance agency here, has become so inspired with the possibilities in the life underwriting field that he is eagerly devouring all technical information and sales aids that he can find. He has decided to attend the annual convention of the National Association of Life Underwriters in Boston despite the fact that the following week he must be in Pittsburgh for the convention of the National Association of Insurance Agents. At Boston he will attend all sessions religiously and will endeavor through informal contacts to extract all the best thoughts of the day on life insurance production. He has even written to Harry T. Wright, chairman of the Million Dollar Round Table, asking whether he might not be permitted to sit in at the sessions of that body as an observer. Mr. Futz feels that this would be a great opportunity to observe closely the mental processes of the biggest men in the business.

## Friendly Spirit at Meeting in Quebec

Association of Insurance Superintendents of Canada Gather at  
Annual Convention

### DIGNITARIES ARE PRESENT

Palmer and Pink on Opening Program;  
Committee Reports Reflect Progress of the Business

QUEBEC, Aug. 27.—"Good Neighbors" was largely the theme of the opening session and the banquet of the Association of Superintendents of Insurance of the Provinces of Canada held here. Director Ernest Palmer of Illinois, who is president of the National Association of Insurance Commissioners, was the principal speaker, while at the banquet in the evening, Superintendent Pink of New York stressed the fact that citizens of the United States and Canada are not foreigners to each other, but just "good neighbors." B. Arthur Dugal, Quebec insurance superintendent, was in the chair at banquet and opening session.

#### Lists of Registrations

A preliminary list shows 73 registered at the conference. In addition to the official representatives of the nine provinces, registrations include Henry Brace, formerly superintendent of Alberta and now Canadian manager Hooper-Holmes Bureau, Edmonton, Alta., and the following from the United States: Director Palmer of Illinois; Superintendent Pink of New York; A. C. Charles, joint committee on interpretation, New York; C. P. Butler, vice-president of the North America, New York; Orville Davies, vice-president General Exchange, New York; F. G. Dunham, counsel Metropolitan Life; Charles Howell, Associated Reciprocity, Kansas City; Hugh Harbison, assistant secretary of the Travelers; George Merigold, counsel of the Prudential, and A. V. Gruhn, general manager American Mutual Alliance, Chicago.

#### On Upgrade in Canada

Life insurance is on the upgrade in Canada, according to Superintendent B. A. Dugal of Quebec in his address. As of Dec. 31, Mr. Dugal stated that life insurance in force in the province of Quebec showed an increase of more than \$9,000,000 over the previous year, notwithstanding the fact that premium income for 1935 was lower by \$1,636,800 than in 1934. Lapses, however, still continue to be an important factor for although cash surrender values paid were less by \$2,319,549 last year than in 1934, they amounted to 61 percent of total disbursements to policyholders. He urged greater effort to lower the lapse ratio.

Mr. Dugal pointed out the trend is rather toward a better and consistent

(CONTINUED ON PAGE 22)



# Some Observations on the Aetna Life System

By C. M. CARTWRIGHT

Some of us that knew the Aetna Life "way back when" and compare its activities now, realize the changes that have been brought about not only in this company but others during the last quarter of a century or more. In days gone by the Aetna Life, particularly in its life department, camouflaged its activities. The management desired nothing more than to be left alone. Its movements were mysterious and secretive. It did not want its agents to get together. A most disconcerting event would be a conference of its general agents. Its policies were not keeping abreast with the demand of the times. The home office was out of touch with what the public needed. In fact, there was a sort of independent attitude. The home office put a Chinese wall about itself.

## Aetna Life Today Is a "Queen Mary" Ship

The Aetna Life today is a "Queen Mary." It is thoroughly up to date, progressive in its movements, is looking ahead, has its people welded together in close harmony, it has no secrets, it wants its representatives to know everything about the institution, it reveals to them the internals, every officer is approachable. The Aetna Life and its affiliates, the Aetna Casualty & Surety, the Automobile and Standard Fire, constitute one great family. The Aetna Life in days gone by had great possibilities. It was potentially a wonderful company. L. O. Schriver, now general agent at Peoria and president of the National Life Underwriters Association, was superintendent of agents at the head office and he referred to the Aetna Life as a "sleeping giant." That was a very happy and true designation. It is now in full stature and the giant has awakened. These thoughts came to me as I looked on its convention at Hot Springs, Va.

Great credit can be given to President M. B. Brainard for bringing the Aetna Life out of captivity and leading it into the promised land. It takes a man of President Brainard's special personality to do a work of this kind. Although "to the manner born," springing from a stock that is aristocratic, he is thoroughly democratic. Nothing pleases him more than to sit down with a humble agent and discuss with him problems confronting the field and the home office. At the recent Hot Springs convention, President Brainard used an incident to illustrate some of the faculties he does not possess that create in the mind of an onlooker the real president.

## Introduction Reveals President As He Is

He took occasion to say that in outward appearance he probably would not be taken for the president of a great institution like the Aetna Life. He was introduced at the "Homestead" to a newcomer in the Aetna Life family. The new agent did not catch the name and asked Mr. Brainard what his name was. The president replied, "Brainard." Back came the inquiry, "And where do you come from?" In the mind of the new man, Mr. Brainard did not have the appearance or bearing of a president. It is well known that Mr. Brainard wears a hat as long as it will survive. That accounts for the joke that is often played on him at Aetna Life banquets when he is presented with a new hat. He does not think that "clothes make a man" and hence he is not so fastidious as to his appearance. It was O. Pryce Jones, general agent at Winnipeg, at the Green Lake, Wis., convention a couple of years ago who told about President

Brainard making the rounds of all the agencies in the country. He was accompanied then by Herbert W. Florer, who was agency assistant at the head office and is now Grand Rapids general agent. The two got to Winnipeg. Those who saw the pair immediately selected Mr. Florer as the president.

## Course Is Charted Along Modern Lines

But it took a man of Mr. Brainard's characteristics, vision and determination to lead the Aetna Life forces to victory. He is not an autocrat. Amiable, lovable, democratic, courageous, resourceful and determined, he charted its course along new but logical lines. Mr. Brainard is a president of distinction, one who is successful because he has built an organization of power and magnitude. He has not sought to hold the center of the stage. He has not been jealous of any of his associates. He knew his place was secure and therefore he has given great responsibility to other executives. He wanted them to make decisions and not to be dependent on him. In this way he has built strong, efficient, growing men. This after all, in my opinion, is the mainspring of a successful executive.

Mr. Brainard has been happy and fortunate in his selection of executives. It takes real outstanding ability in a multiple line company to be able to select types of men that are desired in the various departments. A life insurance president might not have so much difficulty in surrounding himself with executives that have only to do with a life company. Mr. Brainard in addition to being a life executive heads a casualty company that writes surety business also and then he is president of two fire insurance companies. In these various affiliates as well as the parent company, the men up and down the line are all authorities and speak ex cathedra. President Brainard has the faculty of bringing these men together in an organization, giving them responsibility and thus he has built a magnificent organization.

If there is one man in the Aetna Life that deserves more credit than any one

else in keeping what might be termed the more technical and important insurance features on solid ground it is Vice-president E. E. Cammack, an official of almost uncanny ingenuity. There is no more admirable technician in the business. He is more than an actuary and statistical expert. He uses his technical knowledge in shaping the company on a grander scale. Mr. Cammack is not only a life insurance genius. He has been brought into play in the casualty and fire companies. Some years ago when the Automobile got off the track it was largely Mr. Cammack's ingenuity, knowledge and resourcefulness that put it into the running, stronger and better. He has been a most valuable factor in the entire Aetna Life's modernization. He is a safe guide, keeps his feet on the ground and is not allured by strange songs.

## Dallas Successful Head of the Underwriting

Speaking of responsibility, President Brainard a few years ago realized that the mortality ratio of the Aetna Life was out of plumb. He was not alarmed but he realized that there should be some revision and modification. Therefore he put W. H. Dallas at the head of the underwriting department. Mr. Dallas was a general agent. He was a field man. Yet Mr. Brainard had confidence in his ability, his capacity to get along with people and yet he had enough will power and good sense to carry out a definite program. Mr. Brainard put Mr. Dallas at the head of the underwriting department with full responsibility. He was not to be overthrown by any one else. It was that very thing that gave Mr. Dallas his opportunity to do something. And he is bringing the Aetna Life out of a mortality ratio that is higher than the average because since he took hold of the underwriting department on all new business the ratio is favorable.

At the head of the agency department of the life company is a man who is a born leader, who is beloved and admired by all who come in contact with him, he being S. T. Whatley. Possessing a personality that is colorful, almost glamorous, a thoroughly "good fellow," a prince of the blood royal from the standpoint of a friend, a man who gets very close to those associated with him, a leader with the mind of a general, he commands the respect and affection of all the Aetna Life people.

There is another feature in Mr. Whatley's department that is interesting and that is the young men that

have been trained in the agency end at the home office who are now successful general agents. The Aetna Life has realized the opportunity of the agency department as recruiting ground. In this way excellent material has been developed. When the young men go out to take general agencies or to be associated with general agencies, they have had the home office viewpoint and yet they possess those qualities that are needed for general agency supervision. One is impressed with the corps of young men in the agency department, all possessing fine ability.

## Aetna Life Has the Multiple Company View

The Aetna Life being a multiple line company it has a different viewpoint from those institutions that write life insurance alone. While after all most of the people in the Aetna Life field force are specialists in one particular department, yet there are many who have a combined mind and who are successful in producing various kinds of business. At the Hot Springs convention the officials recommended that life agents become interested in all the facilities of the Aetna Life company. It is not natural for many men to be what might be termed all round insurance men. We mean by that those that are capable of programming insurance of all kinds. An agent will run one way or the other. Even taking life, health and accident insurance, there are many who soft pedal accident and health because they want to concentrate entirely on life insurance. Yet life, accident and health are all personal forms of insurance and seemingly could well be worked in harmony in outlining a man's personal protection program. The life department is very much interested in life and accident. On agency programs some accident and health specialist at the home office or in the field is presented to tell the advantages of that kind of protection. There are some men that qualified for the life convention who also qualified for the forthcoming casualty convention. There are not many, but there are enough to show that it is possible to become a multiple line man, including life.

## Two Schools of Thought Come Into the Picture

Vice-president Whatley in his final address at Hot Springs convention stated very emphatically that it was the policy of the Aetna Life to see to it that every facility was given its men in the field to earn a sufficient income to live comfortably, not only to have sufficient means to meet ordinary demands but to enjoy some of the so-called luxuries of life. In other words, Mr. Whatley took the ground that an agent could not have peace of mind and could not give to his work enthusiasm, determination and full reserve power if he had to bother over from where his living for the next week was coming. Therefore the Aetna Life differs from the companies that write only life insurance, because its management has the opinion that an agent can add very much to his income by writing other forms of insurance than life. Here is where a life insurance specialty company differs from a company that writes accident and health insurance, and even other lines where it is a genuine multiple line company. The exclusively life company insists that its men must be life insurance specialists and not have their minds disturbed or confused by writing even accident and health insurance. Some companies do not go that far and have no objection to their men writing accident and health as being personal lines of insurance, but they do decry the effort to indulge in writing other lines of coverage.

Therefore there is a sharp issue between these two schools and both probably are motivated to an extent by the very texture and plan of their organization. Undoubtedly all will agree that life insurance men today need to make more money to become permanent fac-

(CONTINUED ON PAGE 12)

## THE WEEK IN INSURANCE

"Good Neighbors" theme features annual convention of Association of Superintendents of Insurance of Canada at Quebec. **Page 1**

S. H. Hadley elected president of National Fraternal Congress. **Page 1**

Columbus Mutual Life holds its agency meeting in its home city. **Page 4**

Features of the Aetna Life agency meeting at Hot Springs. **Page 2**

Life companies have the right to pay different dividends on policies with disability provisions than on those without. **Page 1**

Houston will make a strong bid for the 1937 convention of the National Association of Life Underwriters. **Page 9**

Presidential address at meeting of National Fraternal Congress is given by Peter F. Gilroy, head of the Woodmen of the World of Denver. **Page 4**

Special commission of three insurance commissioners gives approval to mutualization plan of General American Life. **Page 4**

Program is announced for supervisors session and for conference on local association problems during the annual meeting of the National Association of Life Underwriters at Boston. **Page 11**

Life problems taken up in insurance law section of American Bar Association at its annual convention in Boston. **Page 1**

Pacific Mutual Life situation is complicated owing to the vacating of the order of the former court to transfer the case to another superior judge. **Page 3**

International aspects of insurance told by Superintendent Pink of New York before Canadian superintendents at Quebec. **Page 3**

Samuel Burgess transferred to Louisville by Equitable Life of New York as agency manager. **Page 10**

Family readjustment income policy fitted to small buyers being issued by Pyramid Life. **Page 20**

Ben S. Graham, Jr., and John F. Walsh are appointed assistant superintendents of agents of the Home Life. **Page 18**

New York standard fraternal provisions largely helpful to societies and step in right direction, Consulting Actuary Eldridge tells N. F. C. annual meeting. **Page 23**

Insurance Director Palmer of Illinois, in addressing the Canadian insurance superintendents' meeting in Quebec, gives his conception of the function of an insurance department. **Page 8**



## Broader Concept Is Urged by Pink

International Aspects of Insurance  
Told by New York  
Superintendent

### INDUSTRY IS ANALYZED

Address Given Before Quebec Meeting  
of Association of Superintendents  
of Insurance

An insight into some of the international aspects of insurance was given by Superintendent Pink of New York before the Association of Superintendents of Canada at the annual meeting in Quebec.

"Insurance," he said, "has much to teach a world dangerously committed to impractical trade barriers and economic nationalism. It is one of the few commodities which travels freely from nation to nation. There is neither tariff nor customs officers to impede the way. It is the bulwark of individual, national and world credit and in the main it knows no artificial locality, boundaries or restrictions."

Emphasizing the close relationship between Canada and the United States both in social aspects and in industrial relations, Mr. Pink analyzed the business done by insurance companies between the two countries. There are now some 20 American life companies doing business in the provinces, having written life insurance of approximately \$2,000,000,000 and with assets deposited in Canadian branches close to \$500,000,000. Canadian companies have \$1,500,000,000 of life insurance in force in the United States. The same relationship exists in the fire and casualty field. American fire companies now write almost twice as much in Canada as Canadian companies themselves. American companies are now writing 34 percent of the fire business, English companies 42.7 and Canadian 19.3 percent. Canadian companies, Mr. Pink pointed out, are gradually increasing their proportion of the business.

#### Figures on Casualty Field

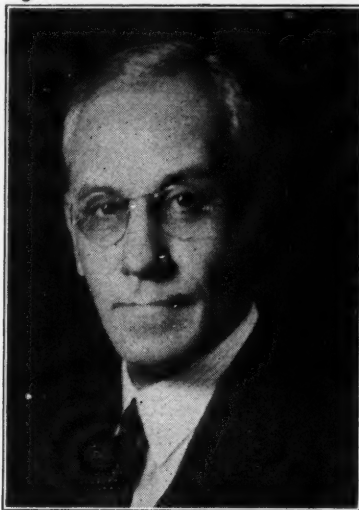
In the casualty field, American companies write 32.4 percent, Canadian 32.1 percent and British 40.1 percent. While Canadian companies do comparatively little fire or casualty business in the United States, British companies and American companies controlled by British capital are very important factors.

Superintendent Pink took to task those critics in the United States who are devoted to the slogan "America First" and who decry the large amount of business done in this country by foreign companies. Mr. Pink pointed out that when American capital organizes companies in Europe those organizations are not American but assume the character of the country in which they are domiciled. Similarly, an American company is American no matter who holds the stock and in many cases it is widely diffused.

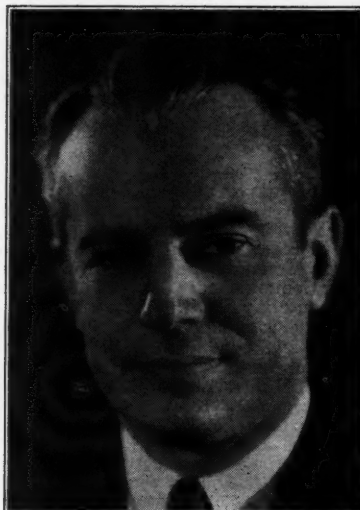
#### Solution to Problem

Admitting that the large outflow of business to foreign companies does create some problem, Mr. Pink contended the logical and proper remedy is increased interest on the part of American companies in foreign business rather than a shutting of the door by the United States. He pointed out that before the Armstrong investigation American life companies did a large business

## Agency Meeting in Chicago



W. T. GRANT



J. C. HIGDON

The Business Men's Assurance of Kansas City is holding its annual agency meeting in Chicago this week. Vice-president J. C. Higdon is in immediate charge of arrangements and looks after the mechanics of the convention. He is one of the outstanding men of the organization. President W. T. Grant is on and took a prominent part in the proceedings.

abroad. The revelations of the investigation resulted in an eventual withdrawal from that field and the difficulties of the World War accentuated the situation so that what business was still in existence was liquidated. Since then, the American field has been so profitable that companies have not been forced to seek foreign markets. He stated, however, that increased competition for business may have a tendency to again interest

American companies in the foreign field. Attacking critics who charge insurance in foreign companies is unsafe, Mr. Pink declared that foreign companies have maintained excellent records in this country. As an example, he said that during the past 20 years the New York liquidation bureau took over 82 companies for liquidation or rehabilitation, with total net loss to policyholders of

(CONTINUED ON PAGE 26)

## "MAKE 'EM ASK!"

A rice planter in Louisiana, ten miles from town. Our local representative knew his circumstances, and that \$10,000 was his life insurance need. This is what happened:

I found him in his fields, a quarter of a mile from the road, and immediately started to hold forth. After about two minutes, "How much will a thousand of that cost me?" No answer, but I went on. Two minutes more, "What's the price of \$2,000 of that?" No answer, but my language flowed on. Three more minutes, "What will \$3,000 of that cost me?" Then I turned off the switch, asked him how much he had,—which I already knew,—and said, "You should have \$8,000. That will give your family \$10,000 in case of need, and it will cost you so much." Said he, "When must I have to pay?" I replied, "You harvest your rice in October. You can pay in November, can't you?" "Yes," said he. And in November he paid. The moral is, "Make 'em ask!"

Some who interrupt must be immediately answered. Some are satisfied with, "I'll answer that a little later." And the buying desire of some, as in our cited case, is brought to action by ignoring their questions. "All things to all men," to each according to his temperament.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

## Old Road Retrod in Pacific Mutual

Another Superior Court Is Reviewing  
the Course Approved  
by Edmonds

### MUCH PROTEST IS FOUND

Judge Willis Feels It Will Be Possible  
to Formulate a Program  
That Is Fair

LOS ANGELES, Aug. 27.—On constitutional grounds Superior Judge Willis denied motions to set aside the appointment of Commissioner Carpenter as conservator of the Pacific Mutual, ruling that the legislature was within its rights in permitting a state officer to act in this capacity without any notice or hearing. Immediately after this ruling, the judge called all attorneys in the case in a roundtable conference in an effort to end all court proceedings and reach an agreement on a plan for rehabilitation of the company.

LOS ANGELES, Aug. 27.—The affairs of the Pacific Mutual Life have become more complicated following the vacating of the order of Superior Judge Edmonds, bringing the case before Superior Judge Willis, putting the company in the position just where it started when it came to court. Last week Judge Willis appointed Commissioner Carpenter as conservator of the old company but did not appoint him liquidator, nor has he approved the plan of reorganization for the new company. He announced this week that the old Pacific Mutual Life policyholders will be given protection to the full extent of the assets during the reorganization proceedings. He stated that Commissioner Carpenter is accepting premiums during the proceedings and the rights of all policyholders are protected by this course. Those who were in the court room interpreted this to include the non-cancellable disability policyholders whose contracts were sold at a very low premium, and the deficit in reserves caused the state insurance department to declare the company insolvent.

#### Questions Before the Court

The questions now to come before the court for further hearing are:

1. Was the Pacific Mutual solvent at the time of its liquidation and reorganization?
2. Shall the original appointment of Commissioner Carpenter as liquidator of the old Pacific Mutual be sustained?
3. Shall the reorganization plan as approved by Judge Edmonds be approved?

The reorganization plan approved by Judge Edmonds was withdrawn because he was a life insurance policyholder of the company and therefore was considered disqualified.

#### Judge Willis' Views

Judge Willis ruled that Commissioner Carpenter acted entirely within his legal rights in stepping into the Pacific Mutual affairs and planning the reorganization. He explained:

"The state acted entirely within its police powers in much the same manner that the state banking commissioner acts to protect investors in appointing a receiver of a bank."

Judge Willis said that proceedings affecting Pacific Mutual in 40 other states in all probability will be governed by the outcome of the action here.

(CONTINUED ON PAGE 26)

## Gilroy Reviews Anti-Tax Fight

Gives Presidential Address at  
Meeting of National Fraternal  
Congress

### VIGILANCE IS NEEDED

Pays His Respects to O'Malley—Praises  
New Headquarters Setup of  
Organization

NEW YORK, Aug. 26.—Peter F. Gilroy, head of the Woodmen of the World of Denver, in his presidential address before the annual meeting of the National Fraternal Congress, dwelt on the reorganization of the headquarters office and on the question of taxation of fraternalists. His address was studied with references to Superintendent O'Malley of Missouri, who is regarded by the fraternalists as their arch foe.

He recalled that at the annual meeting last year in Pittsburgh dissatisfaction with the headquarters set up was expressed by officials representing 35 societies. A resolution was adopted demanding that the office of executive secretary as then constituted be eliminated and that the special provision for publicity which then existed be discontinued and that a manager with necessary assistants be employed to devote full time to the work.

#### Had to Have Outsider

The executive committee, he said, realized that harmony could not be restored if any person then prominent in affairs of the congress were selected to take charge of the Chicago headquarters office. In September last year the committee decided to employ Foster Farrell of Des Moines under the combined title of secretary-treasurer and manager. He had no previous affiliation with any fraternal society and was therefore a "non-combatant." Mr. Gilroy had high praise for Mr. Farrell. He recommended that the next executive committee reappoint him and increase his compensation.

Last year, Mr. Gilroy recalled that he emphasized the importance of conduct—

(CONTINUED ON PAGE 26)

## Special Commission O. K.'s General American Life Plan

O'MALLEY, DANIEL, READ ACT

Approval of Program Was Final Step  
Necessary for Complete Mutualiza-  
tion of St. Louis Company

Approval of the mutualization program of General American Life was given by a special commission consisting of Superintendent O'Malley of Missouri, Commissioner Daniel of Texas and Commissioner Read of Oklahoma at a meeting in St. Louis.

These commissioners discussed the terms and conditions of the proposed contract for merger and consolidation of the Mutual Life of Missouri, which was organized recently to meet legal technicalities, and General American Life under the title of the latter. They said they were satisfied that the interests of policyholders are being properly protected and that there is no reasonable objection to the contract for merger and amendment of the charter of General American Life to provide for its mutualization. The commission authorized the proposed merger as outlined in the petition filed Aug. 5 by General American Life. This is declared by officials of General American to be the last legal step necessary for complete mutualization. Officers of General American observe that this is the first Missouri stock company to mutualize. They say in general, the plan follows the methods used by some of the largest eastern companies in effecting mutualization 20 or 25 years ago.

#### Gradual Retirement

There is to be gradual retirement of the outstanding stock of General American. Officers state that holders of new policies issued by General American and old Missouri State Life policyholders will benefit. A price of \$60 per share has been agreed to as the cost of the stock to the policyholder. It will be retired from earnings at that price. Pending its retirement stockholders will get 3½ percent interest for the first five years, 4 percent for the next five and 4½ percent thereafter. Holders of the smallest blocks of stock will be paid off first.

The contract provides that surplus to policyholders shall not be reduced below \$2,000,000 except to pay interest on outstanding stock. Under no circum-

(CONTINUED ON PAGE 25)

## Bureau Reports Ordinary Sales Gain of 6% in July

New ordinary life sales increased 6 percent in July according to figures compiled by the Sales Research Bureau. Approximately three-quarters of the companies reporting experienced increased production, and in every section of the country more ordinary insurance (exclusive of group) was sold this July than during the same month a year ago. These figures are based on reports from companies having in force 90 percent of the outstanding ordinary insurance. Experience by sections and cities follows:

	July Increase Percent
New England .....	9
Middle Atlantic .....	3
East North Central .....	3
West North Central .....	6
South Atlantic .....	8
East South Central .....	13
West South Central .....	13
Mountain .....	16
Pacific .....	13
<b>Cities</b>	
Boston .....	16
Cleveland .....	6
Detroit .....	1
Los Angeles .....	9
New York .....	1
Philadelphia .....	2
St. Louis .....	6

Chicago sales showed no change from a year ago.

## 11 Percent Paid Increase During July Is Reported

Substantial increase in paid production in July is reported by the central department of the Equitable Life of New York, whose headquarters is in Chicago with W. M. Rothaermel, superintendent of agencies, in charge. The department paid for \$14,130,490 in the month, an 11 percent rise, and the ten Chicago agencies paid for \$4,106,654, a 10 percent advance.

There were three million-dollar agencies in the department, those of A. M. Embry, Kansas City, Mo., \$1,348,089; R. M. Ryan, Detroit, \$1,150,873, and E. L. Carson, Milwaukee, \$1,000,515.

For seven months, the central department has paid for \$106,748,235, and Chicago agencies for \$35,454,898, not counting group insurance. The Woody agency of Chicago paid for \$920,535 in July; Lustgarten agency, Chicago, \$914,245; Gottschall agency, Chicago, \$540,531; M. C. Nelson, agency, Des Moines, \$902,253; Shea agency, Minneapolis, \$816,802, and Rogers agency, Indianapolis, \$739,967.

## Brandon's Spirit Is Marching On

Founder of the Columbus Mutual  
Life Revered for Early  
Work

### PRESIDENT BALL'S TALK

Agency Convention Brought Out a  
Fund of Informative and Inspira-  
tional Material for Salesmen

By C. M. CARTWRIGHT

The spirit of C. W. ("Pop") Brandon, founder and for many years president of the Columbus Mutual Life, continues in that organization and is really its guiding star. Mr. Brandon had a great vision after his work in the field. He wanted a company that he thought would give a square deal to agents and policyholders at every point. He was almost a fanatic in his desire to see materialize an institution of this kind.

#### Almost Physically Helpless

"Pop" Brandon had all the qualities that make the heroic. He had suffered a stroke and could not navigate without help. His voice was thick and oftentimes it was difficult to understand what he said. In spite of this great infirmity and drawback he founded the Columbus Mutual Life, breathed into it the lofty spirit that animated him, charted its course in its early days, built its foundation and those that are carrying on appreciate his work and that of those associated with him. Mr. Brandon still resides in Columbus but seldom gets out of his home.

#### President Ball's Address

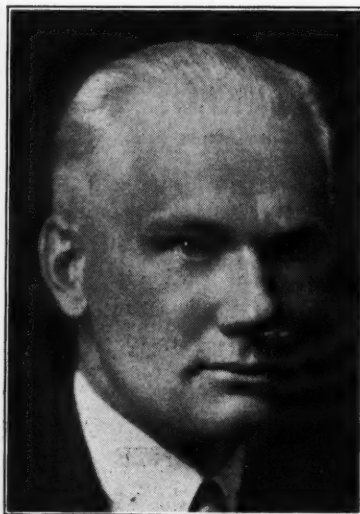
President D. E. Ball who succeeded "Pop" Brandon and is doing a splendid job, in its agency meeting in its home city in the introductory address stated that the big question with a home office now is, "What shall we do with our money?" Interest rates are at an all-time low. He called attention to the fact that in the early years of this century interest rates declined and then gained. No one can make any pre-

(CONTINUED ON PAGE 24)

## COLUMBUS MUTUAL OFFICIALS AT CONVENTION



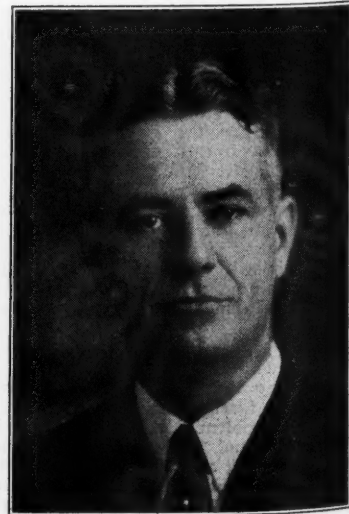
DANFORTH E. BALL  
President



CARL MITCHELTREE  
Vice-President and Secretary



T. H. TANGEMAN  
Vice-President and Counsel



JAMES A. PRESTON  
Sales Manager



August 28, 1936

★ ★

THE NATIONAL LIFE AND ACCIDENT INSURANCE COMPANY  
SHIELDS YOU

**NOW  
OVER  
\$500,000,000  
IN FORCE**

**The World Applauds**

● ● 35th ANNIVERSARY YEAR ● ●

**The NATIONAL LIFE and ACCIDENT  
INSURANCE COMPANY, INC.**

Home Office

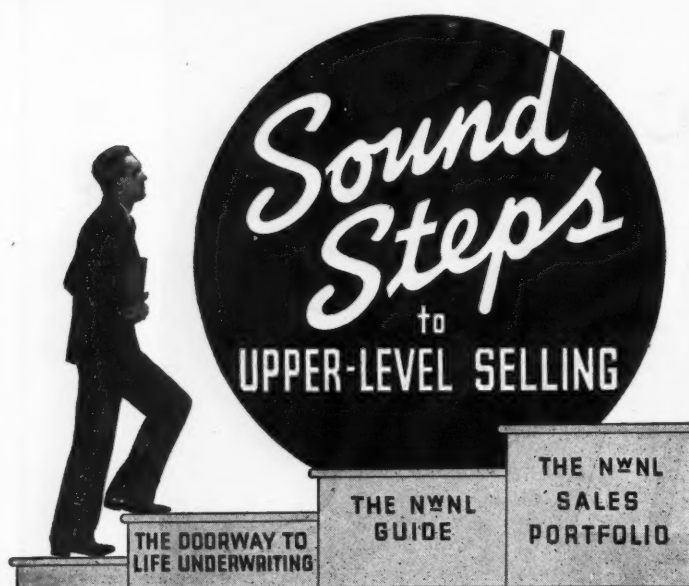
NATIONAL BUILDING

Nashville, Tenn.

C. A. CRAIG, Chairman of the Board

W. R. WILLS, President

● ● 35th ANNIVERSARY YEAR ● ●



*Three separate units dovetailed into a comprehensive sales training program*

#### ● THE DOORWAY TO LIFE UNDERWRITING.

A brief course for the beginner salesman that gives the fundamental principles of life insurance and the essence of underwriting and sales knowledge which starts the new man toward success.

● **THE NWNL GUIDE TO SUCCESSFUL LIFE UNDERWRITING.** There is nothing in the entire life insurance field that in any way approaches this *Guide* as a practical, down-to-the-ground statement of how life insurance is and can be sold. Every idea or method it contains has been tried and proved successful. The basic procedure it develops is founded on the actual experience of successful NWNL salesmen—not on armchair theory or round-table discussion.

● **THE NWNL SALES PORTFOLIO.** In every respect a worthy companion-piece for the *Guide*, the *Sales Portfolio* is used by the salesman in the interview to give visual support to his verbal presentations. *The Portfolio*, prepared under the same expert direction and sympathetic first-hand knowledge of the salesman's problems, follows carefully the procedure recommended in the *Guide*. Titled "*Common Sense in Considering Life Insurance*" this manual of visual material takes *each step* in the interview in clear-cut, logical fashion adaptable to every situation. *The Portfolio* provides—for the first time in the life insurance field in a complete visual sales plan—a road on which the agent and prospect may travel *clear through* the interview.

**NORTHWESTERN NATIONAL  
LIFE INSURANCE COMPANY**

**STRONG—Milwaukee, Minn.—LIBERAL**



## Fraternal Field Managers Confer

Societies "Most Virgin Field in Business World" for Educational Work

### ROYAL LEAGUE PLAN TOLD

Persistency of Policies Demands Well-trained, Full-Time Representatives, Delegates Are Informed

NEW YORK, Aug. 27.—Fraternal life insurance organizations constitute "the most virgin field in the business world today for specialized educational work" as its representatives have not been completely equipped to tell its story as it should be told, F. A. Johnson, vice-president Royal League, declared at the Fraternal Field Managers Association meeting, preceding the opening of the National Fraternal Congress here. This training should extend to local lodge officers as well, said Mr. Johnson, as an excellent field worker's efforts may be virtually nullified by "uninformed, inefficient, blundering local lodge officers." Except for a few societies, no effort has been made to provide any kind of training, he added.

#### Plan Must Fit the Society

Sales training plans must be adapted to the individual society, each society having its own special features as well as its particular administrative policy, Mr. Johnson continued.

"My experience has been that a field worker who is posted on his own society and its methods of doing business enjoys the confidence of the members in his or her territory because he 'knows the answers,'" he said. "That field worker rates as a counsellor and that's just what a life insurance representative has to be these days. A fraternal field worker, however, is expected to know his society besides knowing life insurance."

"It's a bigger all around job to rep-

resent a fraternal insurance society in the field than it is to be a subordinate agent for any commercial company."

Mr. Johnson mentioned the sales kit which his society has developed, which gives the salesman, particularly the newer one, a feeling of confidence. Verbal instruction in its use was given where possible and it was presented in a very elementary way. A spirit of cooperation rather than of driving or browbeating is important, he said, adding that "our drive for team work has resulted in a truly unbelievable spirit of cooperation and heightened morale among our representatives."

#### Reaction to Wrong Answer

"Picture for yourself what goes on in the mind of the prospect who asks a fraternal field worker some comparatively simple question regarding life insurance and either gets the wrong answer or no answer at all," the speaker continued.

"True, this field worker may not represent your society, but that prospect's opinion of all fraternal societies and their representatives has been definitely weakened. It's going to be a rather hard job for the next fraternal insurance society representative to get even an interview. That next fraternal field worker may be representing you."

Mr. Johnson said that after a conference with Dr. S. S. Huebner of the University of Pennsylvania, it was decided that the C. L. U. course is far too advanced for the rank and file of fraternal workers, and expense and qualification requirements would also be hindrances. He said he believed a certain course used by life companies could be adapted to fraternal use with a minimum of expense. He urged the appointment of a committee to work out a course that would get the approval of all.

#### Sizing Up the Prospect

It is extremely important, Mr. Johnson said, for the salesman to be able to size up his prospect, for each type reads differently. Seldom has the representative any real grounds for selecting the sales angle which they believe will be most effective, he said.

M. I. Pickus, sales counsellor, who is working with the Royal League, cited some examples in this connection, pointing out that some people like to have a lot of sales points shot at them rapidly and can make up their minds quickly while another type of person will only be confused if more than one

(CONTINUED ON LAST PAGE)

## Fraternal Congress Officials



S. H. HADLEY, Sharon, Pa.  
New President

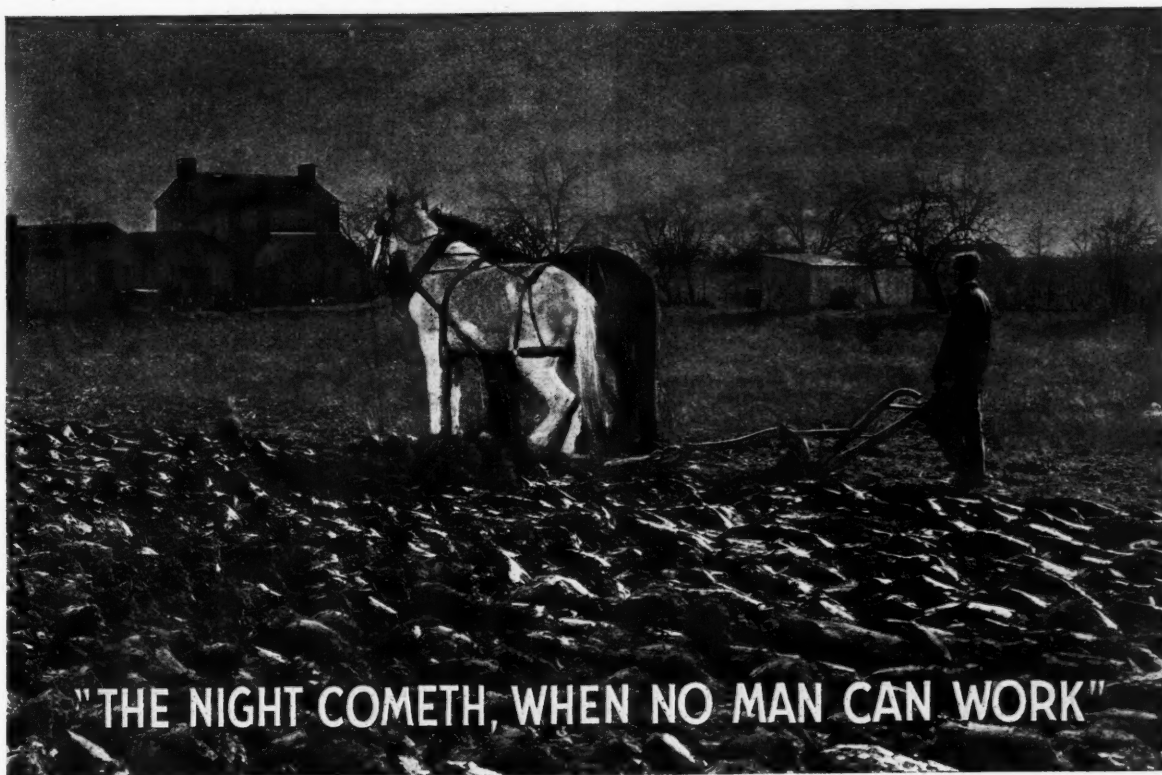


PETER F. GILROY, Denver  
Retiring President

At the annual meeting of the National Fraternal Congress in New York City this week Peter F. Gilroy of Denver, consul of the Woodmen of the World in Denver, as president presided over the deliberations. The new president, S. H. Hadley, hails from Sharon, Pa., being president of the Protected Home Circle.



## Go Home Content



*"Go home content, the evening falls,  
Day's tired sinews are unbent;  
No more the thrush or linnet calls,  
The twilight fades, go home content."  
—Woodbury Lowery.*

In the daytime of his working life a man may live by his toil, but "the night cometh when no man can work" and for that time he must provide while yet he may.

In the sunset years, freedom from anxiety is best assured by a regular income, safe and certain, every month for life.

There is no time like the present to provide for such an income through Retirement Income Life Insurance.

**The Western and Southern Life Insurance Company**  
C. F. WILLIAMS, President Home Office: Cincinnati



**The home you'd leave . . . how long could they keep it without money every month?**

**YOU CAN LEAVE your family a sure income of \$100 EVERY MONTH if you're earning \$45 a week or more**

**THE PLACE** that draws you home to supper, the place where your little ones are tucked into bed . . . tiny apartment or mansion, it's your home, and in it dwell happiness and contentment for your family.

You gladly provide, out of your pay-checks, the dollars it costs to maintain a home for those you love. And you've tried to plan for the day when you may not be with them—have bought some life insurance to help make their home secure. But will the place of your pay-checks now own take the place of your pay-checks? Is it adequate and so arranged that it will provide a regular income to pay the bills month until your children are grown?

**earn \$45 a week or more can afford to leave \$100 and up every month for 20 years, men who earn less can leave slightly smaller monthly incomes.**

All this is made possible by The Multiple Protection Plan, a unique, modern kind of life insurance. It's sponsored by The Union Central Life, a 69-year-old, 230-million-dollar company offering all approved life plans.

To get an intensely interesting booklet describing Multiple Protection, send this coupon. No obligation, of course.

**THE UNION CENTRAL LIFE INSURANCE COMPANY**  
Cincinnati, Ohio

Please mail, without obligation, the booklet that explains clearly how I can give my family the vital home income every month.

**N**UMBER ONE affection in every father's heart: *his family*. Number two: *his home*. And number one desire: *to keep family and home together*.

Most life insurance is sold on the basis of this universal desire. This motivating sales idea is quickly and forcefully driven home in the above Union Central advertisement which will appear in the August 17th *Time Magazine*.

Every month Union Central representatives have a fresh batch of prospects created for them by an advertisement of this type. Result: Multiple Protection, the plan described in the ads, keeps setting new sales records . . . and the average earnings of Union Central men keep growing.

**The  
UNION CENTRAL  
Life Insurance Company**  
CINCINNATI, OHIO

## Provincial View Stays Progress

Palmer Criticises Insurance Man's  
Attitude Towards Supervision,  
Law, Rulings

### ADDRESSES CANADIANS

Head of U. S. Commissioners' Body  
Presents His Conception of Func-  
tion of Department

QUEBEC, Aug. 27.—Insurance Director Ernest Palmer of Illinois, who is president of the National Association of Insurance Commissioners, presented his conception of the function of the insurance department in an address before the annual meeting of the Association of Superintendents of Insurance of the Provinces of Canada here. The department, according to Mr. Palmer, must see that no licensed company sells insurance unless it be sound, solvent and honestly managed, must see that all contracts are fair and give the policyholder the coverage which he has a right to think he has purchased, must see that those who sell insurance are competent, honest and licensed.

#### Views of Insurance People

Some company officials and producers do not endorse the broad theory of the duties of an insurance department, he observed. They believe a department should do nothing more than collect taxes and determine whether companies are solvent by the standards which they themselves have set up.

"There should be as little regulation as possible," Mr. Palmer asserted, "and that should be directed not toward interfering with the functions of honest, private business but should be directed solely to doing the things which are necessary for the protection of the unorganized public—in our case, the policyholders."

#### Lack of Uniformity

Mr. Palmer said there is a deplorable lack of uniformity in state regulation of insurance. He expressed the belief that uniformity must approach more rapidly or the time will come rather shortly when national supervision will be demanded. Some people in the business, he said, are taking too provincial a view of certain problems in the business. There must be a real striving for uniformity of law and ruling.

Many citizens, he said, expect the department to be prosecuting attorney, counsel for the defense, judge, jury, appellate court and supreme court. There is a danger of the department assuming too much responsibility or authority and thereby getting itself into the frame of mind that it is a court of last resort.

#### Initiating Legislation

During the past few years where insurance departments have had proper legislation to support their action, they have been of great value to the average citizen in handling companies that were weak or insolvent. The laws of most states, however, do not give the department sufficient authority to rehabilitate a weak or insolvent company. About all that most departments can do is to put them in receivership and reinsure or liquidate them. The department should be given all necessary authority to permit it to rehabilitate weak companies rather than merely to put them through the "cold wringer of statutory receivership."

One of the most important functions of a department, according to Mr. Palmer, is to suggest amendment or repeal

## Advertising Chief at Columbus Mutual Rally



D. BOBB SLATTERY, Philadelphia

D. Bobb Slattery of the Penn Mutual Life head office, who is president of the Life Advertisers Association, was one of the chief speakers at the Columbus Mutual Life agency meeting in its home city last week, he giving a talk on "The Use of Direct Mail." It is interesting to know that Mr. Slattery's appearance on the program was due to Sales Manager James A. Preston of the Columbus Mutual, who was formerly connected with the agency department of the Penn Mutual. Mr. Slattery is assistant to the vice-president.

of obsolete and unworkable legislation and to draft new laws to meet modern conditions. The insurance commissioner above all other persons in the state, should know whether the laws are workable. There is a duty on the head of the department to express an opinion to the legislature about every law affecting the business as soon as it is introduced and he has the duty to suggest necessary amendments to existing laws and necessary new laws.

The department, he said, should help discredit arbitrary and unreasonable propaganda designed to undermine the faith of the people in the insurance business. If the department cannot defend the business institutions under its supervision it should correct the things which need correcting.

He made the following statement, which is significant in view of the fact that in Illinois he has been invoking technicalities in the law which have caused much disturbance:

#### Not Superman or Dictator

"Of course we must enforce the laws as we find them and some companies and some agents at times feel this to be an unreasonable attitude. However, the insurance department director is not a superman or dictator. He must take things as he finds them, although an impartial enforcement of the statutes may serve the additional purpose of calling to the attention of the people generally the need for change in the law."

Needless tinkering with the law should not be permitted because it is the plain duty of every supervising official to advocate simplification in uniformity of law and ruling. The business and the supervising officials should not become slaves to precedent.

R. R. Stotz of Grand Rapids, Mich., general agent Mutual Benefit Life, is the father of a new daughter, Mary Lockman Stotz, born at Blodgett Hospital there Sunday. It is interesting to know that Mrs. Stotz was formerly superintendent of nurses at this hospital prior to her marriage.



## Houston Will Bid Strongly for Meet

Texas City Eager to Have 1937 Convention of Life Underwriters

### LOCAL LEADERS BUSY

Refute Statement Effort Is Abandoned Due to Candidacy of Cummings for Vice-president

HOUSTON, Aug. 27.—Positive assurance that Houston will again be presented as a candidate to be the host city to the National Association of Life Underwriters and that a vigorous drive will be made for the 1937 convention was given this week in a series of statements from leaders of the "On-to-Houston" committee and the Texas Association of Life Underwriters. These statements were issued following a conference of Houston leaders in which was mapped plans for the contest that will be made at the Boston convention the week of Sept. 21.

The Houston group headed by H. K. Cassidy, Pacific Mutual, Houston, chairman of the committee, and Ricks Strong, General American, Dallas, president Texas association, are emphatic in denying and refuting the report that was circulated recently that the Houston invitation would not be pressed because O. Sam Cummings of Dallas, Texas manager Kansas City Life, now secretary of the National association would be proposed for the National association vice-presidency.

#### Few Meetings in South

"Never in the 47 years' history of the National association has it met in that great area known as the southwest, and only three times during that period has it met in the old south," declared Mr. Cassidy. "The last convention in the south was at Memphis in 1927, nine years ago."

"The southwest—Texas and neighboring states—has had a tremendous development during recent years and this area is strong for life insurance. Life underwriters in these states for many years have been ardent boosters of the National association and the association movement generally, yet during all these years they have been denied the opportunity of attending and participating in National association conventions. We in Texas and Houston believe that this area is entitled to the inspiration and enthusiasm that comes from a National association convention and accordingly we believe that the association movement will profit most by bringing the convention to Houston. In Texas alone there are approximately 1,100 members of the National association and yet the potential membership is three or four times that. The inspiration of the convention would do much toward making our full development possible."

#### Boost for Sam Cummings

"It has been argued that Texas should not bid for the convention this year because a member of the Texas association will be proposed for the National association vice-presidency. This is the first time that such an argument has been raised, and should not appeal to any thinking member of the National association because it is well known that the personal honors in the National association are awarded to members as a result of hard work in behalf of the association movement. Certainly there

has been no more devoted member and no more indefatigable worker in behalf of the National association than O. Sam Cummings of Dallas and his election to a higher office will be a well earned reward."

"We believe that the good of the association should be the major consideration in all things and accordingly we believe that this factor alone should be the turning point in favor of Houston."

#### Statement of Strong

The sentiments of Mr. Cassidy were endorsed by Mr. Strong, who said:

"We know that many life underwriters in other states are laboring under a misapprehension as to Texas and its facilities," he said. "The Texas association now has 17 local associations with membership approximately 1,100, and the vote of the national council in favor of Houston will be the signal for a vigorous and intensive membership building campaign that should double the Texas association's membership the forthcoming year. This development campaign will spread to nearby states. Arkansas now has a membership of 205, Louisiana has 311, Mississippi 50, Oklahoma 260, and New Mexico 34, approximately 2,000 members in Texas and neighboring states. Even assuming that there would be no additions during the year, this membership assures a record breaking attendance for the National association meeting in Houston."

#### Have Had Long Wait

"We in Texas have waited 47 years for the honor of entertaining the National association and we would like to receive this honor in 1937 because now is the most propitious time for the National and state associations in the old south and southwest to profit by the presence of the convention in our midst."

Miles Abell, president of the Houston association, pointed to the fact that Houston is more than amply able to care for the convention, that his city has more modern hotel rooms in the downtown area than several cities of the country three or four times the size of Houston, and that Houston is a metropolis of better than 350,000 population.

#### Adequate Hotel Facilities

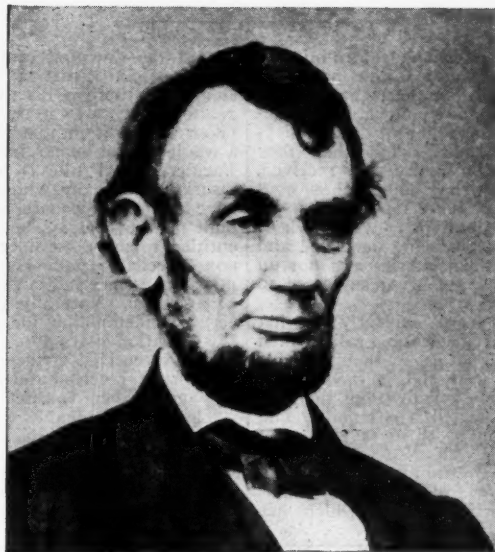
"The Rice Hotel, which will be the convention headquarters, has 1,000 rooms, and despite the fact that the convention will be held during our most delightful season, late in September or early in October, the Rice offers air conditioned halls, committee rooms and dining rooms. Houston has more than 5,000 modern hotel rooms within the downtown area, all within two or three blocks of the Rice Hotel. The association members need have no fear as to whether the convention will be adequately cared for."

E. Dale Shepherd, Jr., president of the Houston General Agents & Managers Association, pointed to the unanimity among companies, managers and general agents in favor of Houston's bid and asserted that these leaders of the production field in the southwest are entitled to the impetus that a National association meeting always brings.

#### Dallas Organizes Classes

The Dallas Association of Life Underwriters has organized classes leading to examinations for the C. L. U. designation. The classes will begin Sept. 14 and continue to June 14, when examinations will be held.

R. E. Fried, district superintendent American Central Life, will teach economics of life insurance; Everett G. Brown, actuary, principles and practice of life insurance; David Mayer, psychology and Ricks Strong, general agent General American Life, salesmanship. Degrees were awarded last year to John A. Monroe, Jr., Cora Dulaney and Samuel H. Chiles.



THE LINCOLN NATIONAL LIFE PROVIDES ITS FIELD MEN WITH:

## The 5 Star Annuity

An eminently salable protection-retirement contract, the 5 Star Annuity provides:

1. Income for life.
2. Cash settlement options.
3. Elective retirement ages.
4. Insurance protection.
5. Guaranteed low cost rates.

With this, Lincoln National Life field men have a 5 Star Annuity SALES KIT that puts all their sales story in one package. This kit is getting results now.

## THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

FORT WAYNE, INDIANA

Insurance in force Dec. 31, 1935—\$879,000,000.

ITS NAME INDICATES ITS CHARACTER

# Reverberations from the Pacific Mutual Story

A great many views have been injected into the Pacific Mutual Life controversy hinging especially on the rights of non-cancellable disability policyholders. Regardless of the fact that all these policyholders have paid far less than they should for the indemnity they received, they charge that they bought these contracts with the understanding that all the funds of the company were back of them, and hence in being penalized and a lien put on their policies and not on any others, they are being subjected to discrimination.

The non-can people evidently feel that the body needs medication rather than an operation. That is, in their opinion, the whole body should be invigorated and they do not acknowledge that the gangrene has affected a part that should be amputated in order to save the rest of the body.

This is the position taken by these policyholders regardless of the insufficiency of their premiums, which has

caused the downfall of the old Pacific Mutual Life. From a technical legal standpoint there is discrimination. THE NATIONAL UNDERWRITER, however, has taken the position that the situation as a whole should be carefully studied. The Pacific Mutual Life is primarily a life insurance company whose policyholders have all paid adequate premiums, have built up the company and are therefore entitled to more consideration than the non-cancellable policyholders that have not at any time paid a sufficient amount of premium. Naturally the officers deserve condemnation for not remedying this situation years ago. The stockholders have received dividends and the officers have received their salaries and the agents their commissions.

The courts probably will measure the equities and decide the question on as broad a basis as they can. It would be a very unwise procedure, in the opinion of THE NATIONAL UNDERWRITER, to throw the company in the hands of a receiver

and then wait weeks for some reinsurance or management agreement to be worked out. The waters have been muddied quite a bit since the reorganization plan was adopted and the immediate confidence in what was being done has been dampened. If the original plan could have been carried out without let or hindrance, much waste and solicitude would have been avoided.

## Existing Claimants Do Not Bear Any Brunt

The question naturally arises in the minds of a great many people as to the existing non-cancellable claimants who are not penalized and who did not pay a sufficient premium. It must be acknowledged that there is discrimination here and yet undoubtedly in working out of the rehabilitation program it was felt that if penalties were placed on these policyholders a large number of suits would be started and the whole course would be obstructed. Whatever plan is adopted there will probably be some injustice.

Many policyholders are criticizing the state supervisory system for allowing the Pacific Mutual to reach a point where its deficit in reserves reached so monumental a figure without calling a halt and letting the public know the facts. They fail to see the justification of a state supervisory system that would per-

mit such a condition to develop and then have to take such drastic measures. It was stated in the recent examination report that the actuaries and other experts in the company as long ago as 1926 called attention to the forthcoming storm. Yet no heed was paid to it by the old officers.

In the opinion of a number of observers, the California department should be roundly condemned. In this criticism Insurance Commissioner Carpenter is not included because immediately on his taking office he discovered the situation and since that time has been making heroic efforts to bring about a reorganization, revamping of the company, so that the least amount of damage could be done. He realized that whatever course was pursued it would be a reflection on Los Angeles and the California department. A convention examination of the Pacific Mutual was held in 1932. It would seem that at that time the condition could have been brought to a head and something accomplished. Many policyholders, since the Pacific Mutual collapsed, are questioning the efficacy or value of the state supervisory system and are advocating federal jurisdiction. Some people may say that experiences like this simply point to the greater efficiency of federal control.

## Many Outside Agents Brokered Business

Many insurance men outside of the Pacific Mutual Life agents brokered non-cancellable business with the company. These men have been very conscientious. They would not represent a company concerning which there was any doubt. Their policyholders' desire was a contract, if it could be obtained in a reputable company, that would guarantee them income in case of permanent and total disability. The Pacific Mutual Life was the leading contender in this particular field and with its financial setup and backing its standing was not questioned. Now these people are being criticized very much by their clients for putting them into a company that showed such a heavy deficit. This undoubtedly is very disturbing and embarrassing to these people who have great pride in the character of the indemnity they sell. For instance, some agents have said to THE NATIONAL UNDERWRITER that there should be some means whereby at least an insurance man would get the true picture of a company. These agents are very emphatic in their condemnation of a lax state insurance department system because the commissioners accepted the reports of the Pacific Mutual in toto without equivocation and failed to investigate. In this instance almost all departments accepted the approval of the California department with good grace and, in the community of states each department is held responsible for its own institutions. Criticism is made of the credit insurance agencies and those giving expert information that no forecast or intimation was made of the Pacific Mutual predicament. Those that rate companies and give confidential advice will be more or less discounted on account of the Pacific Mutual crash. Even some of its own general agents purchased stock at \$15 a share 10 days before the denouement.

## Secrecy in Proceedings Was Very Desirable

Much criticism has been made as to the secrecy and under cover activity in which Commissioner Carpenter and the other states participating in the convention examination indulged when the new Pacific Mutual was established. The plan worked out and got the approbation of Judge Edmonds in a trice. The non-cancellable disability policyholders have raised the point that they were not given a hearing nor were any other interests.

As a matter of fact, the states engaged in the convention examination represented the people and not the Pacific Mutual. While the officers of the Pacific Mutual who were to guide the destinies of the new company were working with the state insurance commissioners, yet

(CONTINUED ON PAGE 15)



## LARGER INCOMES . . .

During the past ten years the insurance in force in the Minnesota Mutual has increased over 62%. The total now stands at over \$200,000,000 and, judged by recent trends, gives every indication of a continued increase. One result will be increasingly larger incomes for our field force.

## We offer these helps to our field force:

1. A Liberal General Agency Contract.
2. Financing Plan for Agency with Accounting Methods That Guide You Successfully.
3. A Detailed Plan for Finding . . . Training . . . Financing Men.
4. A Unique Supervisory System.
5. Tested Sales Helps and Organized Selling Plan.
6. A Policy for Every Purpose . . . Juvenile, Women, Group, Wholesale Etc.
7. A Substantial 50-Year-Old Mutual Company with an Understanding, Co-operative Home Office . . . Not too big to KNOW YOU, Yet Big Enough to Command Respect Everywhere!

Our booklet "FACTS"

will be sent on request

# THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

SAINT PAUL, MINNESOTA



## Myrick to Address Session for Supervisors in Boston

### LUNCHEON MEETING SEPT. 23

Program Is Announced for Conference on Local Association Problems During National Convention

Julian S. Myrick, manager Mutual Life of New York, New York City, past president and now trustee of the National Association of Life Underwriters, will address the life supervisors' session at the convention of the National association in Boston, Sept. 23.

George E. Levesque, supervisor Connecticut General and president Boston Life Supervisors Association, states that interest in the meeting indicates a large attendance. An active supervisors' committee is at work in each of the New England states and all proposing to attend are urged to get in touch with Mr. Levesque at 100 Milk street, Boston.

The meeting will be held at 12:30 p. m., Wednesday, Sept. 23. Harold P. Cooley, New England Mutual Life, Boston, is chairman of the supervisors' program committee.

#### Local Association Parley

Plans are also announced this week for the conference on local association problems. Five local association leaders will discuss the problems of general administration, membership, programs, publicity and the appointment and election of officers. The meeting will be on Monday evening, Sept. 21.

Ralph E. Talley, district manager Pacific Mutual at Knoxville, will be chairman of this conference.

The five speakers are:  
Membership: N. Baxter Maddox, general agent Connecticut Mutual, Atlanta, and president Atlanta association.

Programs: H. H. Cammack, general agent John Hancock Mutual, St. Louis and president St. Louis association.

Publicity: Charles E. Thompson, Travelers, Peoria and secretary Peoria association.

Election of officers: John A. Witherpoon, general agent Pacific Mutual, Nashville and trustee National association.

General administration: Edward M. Aiken, executive secretary Pittsburgh association.

### NEW MILLIONAIRES

The meeting of the Million Dollar Round Table to be held in conjunction with the Boston meeting will probably be the largest of the group ever held, states Harry T. Wright of Chicago, chairman of the round table.

Eighteen additional million dollar producers have qualified for this meeting during the past month, Mr. Wright reported. The group is now composed of 34 life and qualifying members, 44 qualifying members, and 52 life members, making a total of 130.

The new members whose credentials have been received and approved during the past month are:

Life and qualifying member: Samuel Soforenko, New York Life, Providence.

Qualifying members: M. Lee Alberts, Equitable Life of New York, Chicago; E. L. Arthur, Mutual Life of New York, New York; C. E. Cleeton, Occidental Life, Los Angeles; R. E. Hanley, agent, Equitable Life of New York, Chicago; S. S. Herwitz, Mutual Life of New York, Cincinnati; W. E. Johnson, Jr., Mutual Benefit, Nashua; R. C. Newman, New England Mutual Life, St. Louis; Hyman Rogal, Reliance Life, Pittsburgh; L. A. Rosen, Union Central, New York; and Ron Stever, Equitable Life of New York, Pasadena.

Life members: John Wm. Clegg, Penn Mutual, Philadelphia, former National association president; H. G. Feldman, Aetna, Pittsburgh; H. L. Garic, Massa-

## Life Problems Taken Up By Lawyers at Boston Meeting

### COMPANY LEGAL MEN ATTEND

American Bar Association Holds Annual Convention; Papers Given and Committee Reports Heard

#### By RALPH E. RICHMAN

BOSTON, Aug. 27.—Jesse A. Miller of Miller, Miller & Miller, Des Moines, was made chairman of the insurance section for the coming year. Oliver R. Beckwith, counsel, for the Aetna Life, Hartford, is vice-chairman, and Howard C. Spencer, New York, secretary.

BOSTON, Aug. 27.—Many subjects of interest to the life insurance fraternity were taken up in the insurance law section of the American Bar Association which held its annual convention here this week. The meeting was attended by many home office counsel and insurance attorneys from all parts of the country.

Of particular interest was the paper presented by W. M. Bullitt, insurance counsel of Louisville, Ky., in which he contended that life companies have a right to pay different dividends on policies with disability benefits than on those without. He declared that payment of identical dividends on all policies would be inequitable and unjust since it would penalize one class of policyholders by charging them for protection given another class.

#### Two Plans in Use

Under the contribution plan of dividend distribution now in general use, Mr. Bullitt pointed out that dividends must be paid according to the share each policy has contributed to the divisible surplus. Consequently, if unfavorable experience has been had on a company's disability policies, such unfavorable experience should be discounted from the share of dividends paid on that class of business. If this is not done, and the same dividends are paid as on non-disability policies, the added protection provided under disability policies would be borne by the non-disability policies, which had contributed a greater share to the creation of the surplus. Mr. Bullitt's paper is reviewed in greater detail elsewhere in this issue.

#### Skutt Favors Law Lists

V. J. Skutt, attorney for the Mutual Benefit Health & Accident of Omaha, discussed the subject, "Relationship between Home Office Counsel and Trial Counsel." His special subject was, "By What Legitimate Means Can Trial Counsel Bring Their Services to Prospective Customers?"

He declared the first and most effective means was getting results. He said that mention of the names of attorneys who handle a particular case is almost as common in insurance circles as the discussion of the rule laid down by the opinion itself.

His second means was law lists or directories. He declared that the law list serves a proper purpose and is practically essential to the thousands of insurance companies, associations and societies having millions of outstanding policies in all parts of the country. The charge for retention of counsel, he declared.

(CONTINUED ON PAGE 12)

chusetts Mutual, New Orleans; Isidor Hirschfeld, manager Equitable Life of New York, New York; C. G. Keehner, Massachusetts Mutual, Oakland; R. F. Mellor, Mutual Benefit, New York, and L. E. Simon, general agent, Massachusetts Mutual, New York.

Mr. Wright urges that all further million dollar producers who expect to attend the round table meeting get in touch with him immediately at 120 South La Salle street, Chicago.

## M. N. Chrestman New Head of Insurance Counsel Body

M. N. Chrestman of Dallas was elected president of the International Association of Insurance Counsel at the annual meeting in White Sulphur Springs, W. Va. The new vice-presidents are C. E. Gates, Seattle, O. J. Brown, Syracuse and R. L. Webb, Topeka. R. B. Montgomery, Jr., of New Orleans is secretary, H. B. White of Norfolk, Va., treasurer. The executive committee is composed of G. P. Hayes of Milwaukee, R. T. Caverly, New York, and J. A. Luhn, Baltimore.

Most of the papers were on subjects of particular interest to fire and casualty people rather than to life.

#### Airplanes and Double Indemnity

E. S. Gambrell of Haas, Gambrell & Gardner, Atlanta, in his paper on "The Progress of Aeronautical Law" discussed the matter of double indemnity for passengers in airplanes and the question of liability of airplane operators for death and accident to passengers and others. He also discussed some of the principles of international and public law affecting aviation.

The ineffectiveness of policy provisions formerly in general use to protect

life companies from liability for death resulting from aerial flight was demonstrated in Pacific Mutual vs. Van Fleet (107 Pac. 1087) when the court refused to recognize the broad "hazardous occupation" clause as a defense to liability in a fatal injury resulting from a balloon ascension.

#### Numerous Recoveries

The widely used provision for double indemnity in the event of death while riding in a common carrier has been the basis for numerous recoveries on account of death occurring on established airlines and on private planes. Efforts of insurers to protect themselves against aviation disasters by requiring a warranty answer in the written application have been hindered by statutes and decisions reducing the effectiveness of warranties. The incontestable clause also militates against the effectiveness of such warranties.

Cassius E. Gates of Seattle made a patriotic address in favor of American institutions and constitutional government. He opposed centralized control as manifested in various government agencies, and urged life insurance as a better and more American recourse for old age than the social security measures.



## Camden Tax Collections Set New Record

Having retired all current debt due prior to 1937, including State and County Taxes and all outstanding scrip and warrants, and arranged remaining debt for orderly retirement from future budgets, the City of Camden, New Jersey, has turned its attention to increasing its revenues and decreasing its expenditures.

#### Receipts

During the 7 months ended July 31, 1936, total receipts of the City amounted to \$4,393,539 compared with \$3,689,999 in the first 7 months of 1935, an increase of \$703,539. Receipts from current tax collections were \$2,472,667, a new high record for the 7 months period and an increase of \$419,325 over the \$2,053,332 realized on the current levy in the 7 months ended July 31, 1935.

Collections for the 7 months of 1936 equalled 42.17% of the year's total tax levy, as compared with 35.30% of the 1935 levy collected to July 31 of that year, and 63.25% of the 1935 levy collected during all of 1935.

#### Expenditures

Expenditures in 1936 to July 31 totalled \$4,386,384, as compared with total receipts of \$4,393,539, all departments being well within their appropriations.

The City Commission has pledged itself under its cash basis of operation to reduce governmental costs in Camden.

Complete financial details may be obtained from the Department of Revenue and Finance.

GEORGE E. BRUNNER  
Director of Revenue and Finance

## Life Problems Taken Up by Lawyers at Boston Meeting

(CONTINUED FROM PAGE 11)

clared, is usually very limited after process has been served and prohibits any extended investigation as to competent counsel. Therefore a company must often rely upon a directory or law list as a responsible reference.

The third means was personal contact, and the fourth organizations. These include insurance lawyers clubs, as well as other organizations and the bar association itself.

### Smith Makes Comments

In commenting on the paper delivered by Mr. Lumpkin, J. C. Smith of the firm of Smith, Wharton & Hudgins, Greensboro, N. C., said the subject was of great importance to every home office counsel and every trial lawyer handling insurance cases. Many a suicide case, he pointed out, has been lost by the company because the court gave the jury the only chance they had to find for the plaintiff, that is, by calling their attention to the fact that here is a rule of law with reference to a presumption against suicide. This presumption, he stated, should be considered a procedural rule for guidance of the courts but has no place in any case except

where there is a total lack of evidence. He declared that if presumption against suicide is left entirely out of the judge's charges, jury verdicts will be in line with what actually has taken place, and not entirely contrary thereto, as has happened in many cases.

Tuesday morning the session, with W. E. Stanley, Wichita, chairman, heard and act upon committee reports. In an address of welcome, Commissioner DeCelles of Massachusetts traced the development of insurance regulation in that state. He distinguished between insurance as a state interest and a public interest, stating his personal view that the latter was a correct interpretation. He said he did not approve of placing the rate making power in the hands of the commissioner, but would have the initiative remain in the hands of the business itself with the rates subject to approval by the state official.

The report of the special committee on lay adjusters was referred back to the committee and will be presented again next year. While opinion among attorneys is all in favor of restricting lay adjusters to non-legal work, lobby expression criticised this report as somewhat too rigid in its proposed regulations. It defines corporate adjusters, whether operated by lawyers or not, as independent lay adjusters. The conclusion of the committee was that "insur-

ance companies and law offices should confine the activities of their lay employees to pure investigation and assessment of property damage."

## New Plan for Federal Union

Rehabilitation Proposal of Ohio Department to Be Considered by Court at Hearing Oct. 15

COLUMBUS, O., Aug. 27.—Judge C. A. Leach of the common pleas court has set Oct. 15 as the time for hearing on a plan of rehabilitation of the Federal Union Life, submitted by the Ohio department. In the meantime, stockholders, policyholders and persons holding claims against the company will be given notice of the hearing and a copy of the rehabilitation plan.

The rehabilitation plan will not become effective, it is provided, until it has been approved by the insurance department and the court. It provides that policies now in force may be continued, that lapsed policies may be reinstated and that death claims shall be paid in full as they become due. A lien is to be placed against each policy and annuity amounting to 65 per cent of the net equity. These liens will draw interest at 4 per cent, but such interest will be waived on death claims.

Provision is made that the superintendent of insurance shall have authority to mutualize the company, if he feels it is to the best interest of all to do so, at some future time, provided the laws of Ohio then permit such mutualization. It is estimated that accrued death claims are approximately \$135,000, which will be paid in full if the plan is approved.

The book value of the real estate is \$1,839,487, market value \$822,127. The book value of mortgages is \$1,113,051; market value \$909,768.

## Some Observations as to System Aetna Life Uses

(CONTINUED FROM PAGE 2)

tors in the business and to keep satisfied. How this shall be done is a question. The Aetna Life suggests one plan because it has the facilities. The so-called specialty companies insist that agents stick solely to life insurance. Even many of the Aetna Life people in its life department do not sell anything but life insurance. Some do not indulge in accident and health even. After all, it may depend very much on the man, the general agent and the company.

The Aetna Life evidently like all other

## Boat Trip Around Boston Harbor for Convention Crowd

A boat trip on the steamship "Romance" around historic and picturesque Boston Harbor has been arranged by the local committee for the entertainment of those attending the National Association of Life Underwriters the week of Sept. 21. The boat trip will be Thursday afternoon, Sept. 24.

The committee recalls that 46 years ago at the meeting in Boston at which the National association was founded, the delegates were taken on a harbor cruise as guests of the city of Boston and the Boston association.

A sight will be had of the U. S. S. Constitution or old Ironsides at Boston Navy Yard. In the harbor the municipal fire fighting boats will give a demonstration and naval sea planes will engage in a maneuver. The coast guard will execute a dress rehearsal of how they come to the aid of distressed mariners. Through a public address system the conventioners will be informed about the sights.

Guests will be served individual lunches and a bar will be open. There will be a Hawaiian orchestra for dancing, accordion players and a banjo player in the cocktail room. The trip will be ended before sundown.

C. C. Gilman, National Life of Vermont, is chairman of the entertainment committee and H. P. Cooley is vice-chairman.

companies has reached the conclusion that it pays to devote itself more intensively to those in its organization that have the capacity for growth and whose work shows good results rather than attempt to bring a large number of people in the field and trust to their making good. In other words, the Aetna Life has fewer men in its life department than formerly and yet it is writing more business. Mr. Whatley sounded the sensible slogan, "Sell with a Plan," meaning that hereafter his department would use its utmost endeavors to put material into the hands of agents so that their approach would not be merely to sell more life insurance without any definite program, but in selling even a \$1,000 policy to be able to tell a person why he should take this insurance.

The program makers used the skit or dialogue feature to good advantage to bring out three different points. In the

(CONTINUED ON NEXT PAGE)

## 6 Years and 6 Months

The INDIANAPOLIS LIFE INSURANCE COMPANY, incorporated in 1905 as a Legal Reserve Mutual Company looks back on almost thirty-one years of SERVICE and ACHIEVEMENT, and particularly to its record for SIX YEARS—that were fraught with FINANCIAL DIFFICULTIES for thousands of people.

### A REMARKABLE RECORD

From December 31, 1929 to December 31, 1935

ASSETS INCREASED ..... 64.5%

—Almost double the average increase for all companies.

SURPLUS INCREASED ..... 86%

—In addition to making these gains the Company paid to policyholders and beneficiaries \$9,899,063.00 during this six year period.

1936

From January 1st to June 30th, 1936, INSURANCE IN FORCE INCREASED \$1,921,591.00—the largest gain for any six months' period for five years, MAKING TOTAL INSURANCE IN FORCE \$97,677,849.00.

## INDIANAPOLIS LIFE INSURANCE COMPANY

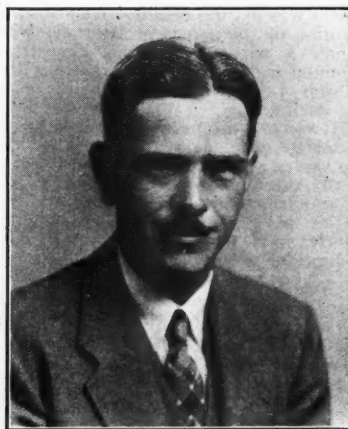
Indianapolis, Indiana

Agency opportunities in Indiana, Illinois, Ohio, Iowa, Michigan, Minnesota, Texas, North Carolina, California and Florida.

EDWARD B. RAUB,  
President

ALBERT H. KAHLER  
Supt. of Agents

## Interest in New Appointments



BEN S. GRAHAM, JR.

Ben S. Graham, Jr., formerly vice-president United States Life, and John F. Walsh, have been appointed assistant



JOHN F. WALSH

superintendents of agencies of the Home Life. Mr. Walsh has been agency field assistant.



## All-Star Agents Club of B. M. A. Holds Chicago Meet

ABOUT 50 MEN ARE PRESENT

Three Days of Business Sessions and Entertainment for Leaders of Kansas City Company

The All-Star Convention of the Business Men's Assurance of Kansas City was held in Chicago this week. About 50 men attended, many accompanied by their wives. The qualification for attendance was \$7,000 in first year premiums during 18 months. Forenoon sessions are being held on Wednesday, Thursday and Friday with the afternoons and evenings devoted to entertainment and sight seeing. This was the first of the All-Star Conventions held in a large city, the others having been held at various summer resorts.

Speakers at the first session were J. C. Higdon, vice-president, who presided; W. T. Grant, president, who welcomed the agents; Col. C. B. Robbins, manager and general counsel American Life Convention, and Alexander E. Patterson, Chicago general agent of the Penn Mutual Life. Mr. Patterson is an old friend of President Grant's and delayed the start of his vacation for a day in order to be present. A highlight of the first session was the presentation of \$100 checks to agents who had won them by accumulating 1,500 sales points between July 1, 1935, and June 30, 1936.

### On Thursday Program

Thursday morning those on the program were Harold R. Gordon, secretary Health and Accident Underwriters Conference; C. M. Cartwright, managing editor, THE NATIONAL UNDERWRITER; Brice Halliburton, Albuquerque, N. M., president of the Grant Club; Thorpe B. Isaacson, Salt Lake City, leader for 1936; and R. E. Sanders, of San Diego, vice-president of the Grant Club.

The Friday program included R. Emmett O'Malley, superintendent of insurance of Missouri; Dr. Hubert M. Greaves, professor at Yale University; and a farewell talk by President Grant.

Those present from the home office included President and Mrs. Grant and their son and daughter, Esther and W. T., Jr.; Vice-president J. C. Higdon, Director of Field Service L. L. Graham, Assistant Secretary M. C. McKay, and their wives, and Jack Morris of the sales department.

### Johnson Topeka Speaker

The August meeting of the Topeka General Agents Association was addressed by W. E. Johnson, agency superintendent Penn Mutual, on "The Training of New Agents." A training course for new agents is under consideration by the Topeka association.

### Hiatt Talks in Denver

A. H. Hiatt, Jr., assistant superintendent of agencies Aetna Life, addressed the Denver Managers & General Agents Association on "Quality Agents." He was en route to the western regional meeting at Lake Tahoe, Cal., and stopped in Denver to conduct an agency meeting there and attend the managers' luncheon.

Dr. David McCahan, dean American College of Life Underwriters, will speak at a luncheon meeting Sept. 8.

### Can't Deduct Dividends

BIRMINGHAM, ALA., Aug. 27.—Attorney-general Carmichael in an opinion addressed to Superintendent Julian, holds that companies are not entitled to deduct amounts paid or credited to policyholders as savings or dividends in determining the amount of tax due the state. Under Alabama law, the state tax on insurance companies is based on gross premiums less "return premiums."

## Some Observations on the System of the Aetna Life

(CONTINUED FROM PAGE 12)

first session, R. B. Coolidge, superintendent of agents, and E. H. Snow, agency assistant, presented the new estate control plan, Mr. Coolidge being the prospect.

At the next session, A. E. Haswell, veteran San Antonio agent, and F. B. Falkstein of the same city, a young man of 25 years, who has a great future in life insurance, used the dialogue plan to present their own methods of presentation.

At the last session, W. H. Dallas, assistant vice-president and head of the underwriting department; J. G. Late, underwriter; General Agent J. P. Graham, Jr., general agent at Springfield, Mass., and A. H. Hiatt, Jr., assistant superintendent of agents, presented a day in the underwriting department, bringing out various features of great interest to the listeners.

### Government Bureau and the Life Agents

The Aetna Casualty maintains a government service bureau at Washington where it gets full information regarding the different units and bureaus asking for bids for materials, contracts, supplies, etc. The federal government is the largest individual buyer. The Aetna Casualty gathers information for its agents all over the country. The bureau is in charge of B. S. Foster. Rounds are made every day and notices are pasted on bulletin boards of the various units. L. B. Fowler of Hartford, field supervisor for the casualty department at the head office, was present explaining the plan. It was announced that this is now available to the life agents. They are privileged to go to their clients and tell them that they can get information as to bids being made, classifications, etc. This is another service that the company is offering.

### Points Brought Out in Underwriting Skit

In "a day in the underwriting department", W. H. Dallas, assistant vice-president, brought out some features of real interest and one was the Aetna Life writes women at the same rates as men and it gives the same limits. Some women, he said, carry \$100,000 of insurance. The Aetna Life's experience on women, he said, has been favorable. The company writes them for term insurance, and women are accepted under the disability clause. Furthermore he said the Aetna Life is writing juveniles from 10 to 12 years of age for \$2,000 and men from 65 to 70 years of age for \$2,000. On extra good juvenile risks it will stretch the amount to \$5,000.

Mr. Dallas brought out the fact that agents run across different rules and special features of various companies and therefore the Aetna Life, for instance, is pitted against every company in the field. That is, if an agent finds a liberal policy adopted by some particular company, then he thinks the Aetna Life should do likewise. Mr. Dallas said there is no uniformity among companies. Each company not only considers the combined experience but its own. The Aetna Life, he said, writes rather high limits on substandard and its experience has been favorable. Double indemnity is written on some substandard cases.

### Good Record Agents Get the Best Breaks

He said that good agents get good business. When the head office finds an agent's record is good in every respect, he gets the "break". He called attention to the fact that Tom Miller of the San Antonio agency has not had a rejection in 10 years. If an agent has less than 10 percent of his applications rejected the record is counted very good. He said from 10 to 20 percent is fair. Those that have over 20 percent rejections are not regarded as good agents. The rejection ratio in substandard cases runs up higher but an agent should watch his step in making offerings of

this kind. When he gets beyond 20 percent in substandard he should begin to be more selective.

Vice-president Whatley, in closing the convention, said that the keynote now is for an agent to sell with a plan. There has been a great change during recent years in selling and underwriting methods. He said that an agent should only sell to cover a specific purpose. He should plan so that people want to buy insurance and therefore the agent does not have to sell it. The Aetna Life, he said, wants its people to make more commissions because if they are making more money they are far better agents.

## AETNA PERSONALITIES

One of the women agents at the Aetna Life convention at Hot Springs, Va., was Miss Eva H. Lancaster of Marshall, Tex. Miss Lancaster was formerly manager of a chain grocery store in Marshall. She is very enthusiastic in life insurance work, subscribes for a half dozen different publications and has developed into a successful saleswoman.

Two of the popular young people at the convention were H. W. Florer, general agent at Grand Rapids, Mich., and Mrs. Florer. Both have a large ac-

quaintance in the Aetna Life ranks and were hosts at a party one evening.

A. E. Mason of Jackson, Mich., got around on crutches. Several weeks ago he was working in his garage. He was coming down a ladder and when he was three rungs from the floor he jumped and in so doing broke both legs. He was in the hospital for six weeks and conducted his work from there. He solicited accident insurance especially and used his own case as a living example.

T. P. McCormack, Cincinnati general agent of the Aetna Life, who has been confined to his home several weeks with a severe attack of pneumonia, is now on the road to recovery and is able to sit up.

R. H. Keffer and K. A. Luther, New York City general agents, were hosts at a party the night of the banquet. They invited a large number of guests.

Mrs. S. T. Whatley, wife of the vice-president, with Mrs. R. B. Coolidge, wife of the superintendent of agents, and Mrs. R. W. McCleary, wife of the agency secretary, constituted the home office women's committee who acted as hostesses for the women. There was a tea

(CONTINUED ON PAGE 28)

## Are You Interested In:

### • Liberal Policy Forms?

Guarantee Mutual policies are unrestricted, except to conform to Insurance laws and rulings.

### • Low Participating Rates?

Less than a half dozen American companies are as low. Check your compendiums.

### • A True Dividend Schedule?

As nearly true and equitable as is possible to create. Has not been reduced since adoption four years ago.

### • Low Net Cost?

Few American companies can equal the low net cost of Guarantee Mutual policies.

If we have ALL of the above features to offer, PLUS a place to use YOU—if you are above average and there is a reason for you to be interested in a liberal General Agents contract—tell us your complete story.



Direct your letter to  
A. B. OLSON, Manager of Agencies

**GUARANTEE MUTUAL  
LIFE COMPANY**

OMAHA, NEB.

Organized 1901

LICENSED IN TWENTY-FIVE STATES AND THE DISTRICT OF COLUMBIA

## Fraternal Heads in United Front

(CONTINUED FROM PAGE 1)

tion go back to the state court after it had been transferred to the federal court. Leading fraternalists believe there is very little chance of Commissioner O'Malley's winning his action in federal court.

Mrs. Bina West Miller, president Woman's Benefit Association, talked on the general subject of taxation and urged closer cooperation among societies in opposing suits of the type brought by Mr. O'Malley. C. F. Westcoat, general counsel National Union Assurance, dealt in detail with the situation in Missouri and in Arkansas and Oklahoma, where similar suits have been brought.

The Oklahoma action, the first round of which was won by the state, was based on a provision in the constitution peculiar to that state, but the Missouri suit hinges on the commissioner's contention that fraternal societies are in reality thinly disguised legal reserve insurance companies and that their exemption from premium tax is counter to the federal constitution in that it results in one class of carriers having to pay a tax from which allegedly similar carriers are exempted. This would open the way

for actions similar to Mr. O'Malley's in all the other states.

However, fraternalists consider it fortunate that the Missouri action included the point about the federal constitution, as this furnished grounds for keeping the trial out of the state courts and retaining it in the federal tribunal. A case cannot be transferred to a federal court, if one of the states is a party to the action, if the reason is merely a difference in territoriality of the litigants. In this case the reason given was that a question involving the federal constitution was at stake. Thus, the fact that one of the parties to the action was a sovereign state did not prevent the case from being removed to the federal court.

Strong views for and against the new regulations of the New York department were expressed at the secretaries' section. W. T. Eldredge, Cambridge, Mass., consulting actuary, spoke on the new regulations and their advantages from the societies' point of view. Vehemently opposed to this attitude was E. L. Jalbert, general counsel L'Union St. Jean-Baptiste, who contended that the department is trying to hamper the fraternalists and make it impossible for them to operate in a different manner from the old line companies. He deplored the prospect of having to "boil down the relation of the insured and the collectivity to a cold insurance contract."

In rebuttal Mr. Eldredge said that the New York regulations asked nothing that practically all the societies are not already doing and that they were mainly designed to correct abuses which occur comparatively rarely. He cited the case of an association in which the insured lost all his reserves if he did not elect definitely how he would take his reserves within 30 days. Policies issued at adequate rates do not need provisions permitting later changes in their benefits and there has been much twisting of fraternal policies on the ground that changes in the by-laws might result in unlooked-for cutting down of reserve values.

The New York regulations had the unanimous support of all members of the Fraternal Actuarial Association at its meeting, which was coincidental with the Congress's section meetings. There was also considerable discussion of the new regulations of New York, Illinois and some other states as to valuations and particularly additional reserves where the insured has the right to reinstate and where mortality is running above 100 percent.

It was the consensus that it will be difficult to get data together for these valuations because of the societies' method of operation. There will have to be considerable changes in accounting methods, it appears, and for the time being it will probably be necessary to arrive at figures which approximate complete accuracy as nearly as possible. The expense involved in furnishing this additional information will probably not be burdensome. Information similar to that supplied by old line companies in their gain and loss exhibits is also to be supplied.

Thrifty has never been possible for a majority of the American people, declared Commissioner Hunt of Pennsylvania, who stated "we get an idea how much Americans can save when we learn that three-fifths of all families, totaling more than 70,000,000 people, had incomes of less than \$2,000 per year per family in 1929, our greatest year of prosperity."

"These three-fifths of our families in the lower income classes have been able to save an average of only \$15 per family per year. Two-thirds of all the savings accumulated in this country were saved by a little more than 2 percent of the people. Experience of social security programs in other countries shows that the more security people are given, the better the chance of a decent livelihood they get, the more they save."

### WPA Official Speaks

Walter H. Smith, associate director bureau of industrial relations, U. S. Works Progress Administration, New York City, stated that the bureau has been created to assist WPA workers back into private employment. In New York City there are 200,000 WPA workers on government payrolls. If the 3,000,000 such workers throughout the country were returned to private employment the depression would disappear over night, he declared.

Leading industrialists of New York have cooperated in the movement.

There are plenty of good workers on the WPA rolls, he declared. They are not all boondoggling red radicals. Competent people were forced on the WPA rolls, he contended, because there have been 132,000 bankruptcies in the country since 1929. If returned to private employment, the average buying power of each WPA worker would be increased by \$30 a month. Business men must eventually pay the bills to support this group and it would be better to have them work directly for business. He urged his audience to tell employers everywhere that a great back-to-business movement is being inaugurated.

### Dr. Grigsby on Cardiac Pain

Dr. C. M. Grigsby, Dallas, in his address before the medical section of the National Fraternal Congress on the subject "Cardiac Pain," urged medical directors to learn something about electrocardiography so that they can interpret electrocardiograms for themselves.

Mortality tables taken from large groups of cases permit a slightly more optimistic attitude toward coronary thrombosis than is generally held, said Dr. C. B. Ahlefeld, medical director Security Benefit Association.

Fraternal societies are in a uniquely strategic position to spread a broader education in the art of living well, Dr. H. Z. Hibshman, chief medical examiner, National Council, Junior Order American Mechanics, declared.

### Urges Work Among Juveniles

The time and effort devoted to development of juvenile lodges is amply repaid in future results, W. C. Below, president Fidelity Life Association of Fulton, Ill., asserted in his address. He gave his talk at the presidents' section.

Each juvenile lodge, he said, should be supervised by an adult juvenile superintendent, preferably a woman. She should work under the direction of the home office. An active juvenile lodge has the effect of stimulating interest in adult lodges. The program for juveniles should be educational as well as social. There should be short lectures on life insurance and the benefits of the fraternal system. Sometimes it is well to have a program for the group under 10 years of age and one for those over that age.

Lapsations among juveniles in active lodges are very light.

The societies give the man of modest means an opportunity to secure the maximum amount of insurance on the lives of his children at minimum cost, according to Mr. Below. Many certificates are on the term to age 16 or 18 basis. Therefore, the assistance of a field representative is needed at the time the transfer is made to the adult lodge. Nearly 100 percent of those transfers are made and very often to certificates of substantial amount.

James A. Blaha, supervisor investment bureau Supreme Forest Woodmen Circle, presented a technical paper on "Bond Investment Accounting" before the actuarial section.

### Butkovich Tells of Growth

After sketching the history of the fraternal institution through the ages, J. D. Butkovich, supreme president of the Croatian Fraternal Union of Pittsburgh, Pa., asserted that great performances are expected of the fraternal system in this day of distrust, unemployment and hatred.

He said there are 213 fraternal societies in the United States and Canada. Most of them were established between 1880 and 1900. They were established because man, by nature, needs and desires social contact. In the United States and Canada fraternalists have in excess of 7,700,000 members whose insurance aggregates \$6,700,000,000. The societies have assets of more than \$1,140,000,000. Distribution has been made for various benefits of close to \$5,000,000,000.

About 65 of the fraternalists in the United States and Canada were established by the various Slav nationalities. The immigrant, chiefly the Croatian, then the Slovene and finally the Serb and other Slav nationalities, he said, played a major role in the pioneer days of the fraternal system in America.

### Gilroy Brings Greetings

At the morning session of the secretaries' section President P. F. Gilroy, Woodmen of the World, brought greetings. He described briefly some of the work done by the Life Office Management Association in New York City.

Herman Ekern, president Lutheran Brotherhood, spoke on the "Superannuation of Old Employees." Pointing out that the government provision under the social security act is hardly enough to provide adequate living for an individual, he set forth the outline of an old age pension plan that might be adopted by the societies. The idea presented by Mr. Ekern is similar to a deferred annuity plan and differs from the usual old age pension arrangements in that the accumulated money would be the employee's own to take with him should he sever

## Forty-Third Year... of Dependable Service

**THE STATE LIFE of Indiana enters its forty-third year of dependable service. . . . Has paid over \$110,000,000 to policyholders and beneficiaries. . . . Holds \$50,000,000 for their benefit. . . . Has \$4,378,000 in cash and government securities, providing ample liquidity. . . . These and other important facts are evidences of Service, Strength, and Progress. . . . This time-tried company offers agency opportunities.**

★ ★ ★

**THE  
STATE LIFE  
INSURANCE COMPANY**

Indianapolis

Indiana

1894 • PURELY MUTUAL • 1936



om large  
tly more  
coronary  
held, said  
ector Se-

uniquely  
broader  
well, Dr.  
al exam-  
r Order

les

to devel-  
mply re-  
Below,  
ation of  
ress, He  
section,  
should

ile su-  
an. She  
a of the  
e lodge  
erest in  
or juve-  
well as  
lectures  
e of its  
group  
or those

active

modest  
re the  
on cost,  
certifi-  
or 18  
e of a  
at the  
adult  
those  
ten to  
t.

stment  
n Cir-  
er on  
before

the fra-  
es, J.  
of the  
burgh,  
ances  
em in  
t and

I so-  
mada.  
ween  
ished  
d de-  
ates  
ss of  
ance  
eties  
0,000.  
rious

the  
stabil-  
ities.  
tian,  
Serb  
said,  
days

cre-  
roy,  
eet-  
the  
ge-

ran  
ua-  
out  
the  
to  
tal,  
age  
by  
fr.  
ity  
ge  
u-  
er

his connection with his employer. A discussion followed, led by T. R. Heaney, high secretary, Catholic Order of Foresters, in which approval was given to Mr. Ekern's suggestion.

"Bridging the Gap Between Juvenile and Adult Membership" was discussed by Miss Frances D. Partridge, secretary, Woman's Benefit Association. She pointed out that the two chief problems facing the fraternal are the collection of juvenile accounts which involve very small amounts and the transition from juvenile to adult membership. The insurance benefits are held out to young people. The Woman's Benefit Association offers double indemnity and accident features in its certificates. Miss Bertha C. McEntee, Ladies' Catholic Benevolent Association, also discussed this topic.

#### Exemption from Social Security

The Legal Section discussed plans for getting society employees exempted from the provisions of the federal social security act. It had previously been considered that they were exempt as being connected with charitable and benevolent organizations, but a recent decision of the social security board reversed this and efforts will be made either to get the law changed or to have the board issue another interpretation.

There was discussion of the advisability of arousing fraternal executives and attorneys to the dangers of a federal fiscal policy which makes for cheap money and tends to keep the interest rate down on the type of assets in which fraternal invest. H. W. Adams, retiring president, talked on this in his address, citing examples such as the fate of public utility securities in regions affected by the TVA.

Secretary R. F. Allen reviewed recent court decisions and said there had been nothing that seemed to threaten the societies' welfare and that the courts had been giving fair and reasonable decisions on life insurance contracts.

#### Section Elects Officers

Following are the new officers of the various sections:

Presidents: president, T. J. Walters, Junior Order United American Mechanics; vice-president, E. W. Thompson, Maccabees; secretary, Walter Below, Fidelity Life Association.

Secretaries: president, A. P. Cox, Artisans Order of Mutual Protection; vice-president, Mrs. Erna M. Barthel, Royal Neighbors; secretary, Miss Anna E. Phelan, Women's Catholic Order of Foresters.

Medical directors: Dr. A. M. Limburg, Ancient Order of United Workmen; first vice-president, Dr. Charles B. Ahlefeld, Security Benefit Association; second vice-president, Dr. H. Z. Hibshman, Junior Order United American Mechanics; secretary, Dr. Tracy H. Clark, National Union Assurance Society; treasurer, Dr. J. P. Smyth, Catholic Order of Foresters.

Legal: president, J. A. Willo, National Slovak Society; vice-president, L. A. Knight, Royal Neighbors; R. F. Allen, Standard Life association.

Press: president, Robert McCain, Ben Hur; vice-president, Mrs. Jeanie Willard, Woodmen Circle; secretary, Mrs. Mary Baird, Women's Benefit Association; chairman executive committee, H. L. Rosenblum, retiring president. Fraternal Actuarial Association: president, W. M. Curtis, Ben Hur Life; vice-president, E. H. Nicholson, Equitable Reserve Association; secretary, E. H. Pakes, Supreme Forest Woodmen Circle; treasurer, W. T. Eldredge, Cambridge, Mass., consulting actuary.

#### Form New Section

What is expected to be a powerful weapon in opposing oppressive legislation in the various states was organized. This is the State Fraternal Congress section, 14 of which were represented at the meeting here. Officers are G. W. Baumann, Maccabees, head of the New Jersey congress, president; Mrs. Victoria Lewandowsky, Independent Order

## Reverberations From the Pacific Mutual Life Story

(CONTINUED FROM PAGE 10)

the latter represented the public and the policyholders, and not the officers. Associated with Commissioner Carpenter were the Washington, Louisiana, Ohio, Texas and Virginia state departments. All these gave their approval to the plan as worked out. Therefore, the policyholders certainly had sufficient state officers to give heed to all demands.

#### Town Meeting Plan Was Inadvisable

It would have been impossible to have worked out any plan if there had been a public meeting. There were too many interests that would immediately want to be heard and make demands. There would be too many hungry attorneys at hand inciting riot. Experience with life insurance failures has shown that vast waste occurs with delay. The only feasible plan, therefore, was for the committee of commissioners quietly and unostentatiously to evolve a plan that to their mind was the best that could be devised. If the Pacific Mutual itself had worked out a program without the consent of the commissioners, then policyholders would have had justification for their criticism. If the insurance departments are worth anything, then in a case of this kind they should be worth everything. If they are incapable of looking after all the interests, then state supervision is at the zero of efficiency. No public hearings could have been held without immediately having policyholders lose confidence, make a raid on the company and a receivership would have been inevitable, with its trying and procrastinating tendencies and high expense.

#### Comment Made by a Subscriber on Situation

One subscriber makes the following comment on the Pacific Mutual situation, which undoubtedly reflects the viewpoint of those interested in the non-cancellable situation:

"I am familiar with the adjustments in dividends made by life companies under the total and permanent disability clause attached to certain life insurance contracts but this is not what the Pacific Mutual is doing. It is reducing the benefits. While it is true that life companies, the New York Life included, reduced dividends to disability policyholders, no attempt has been made by any life company to reduce benefits payable under the disability clause to a certain class of policyholders and at the same time recognize other contracts on a 100 percent basis. If the position you take is right, no one can guarantee that the Pacific Mutual in the future may not decide to reduce the face amount of its non-participating or participating policies if it finds that one of the other classes has lost this money. A contract is a contract and I think the courts will so hold if the matter is brought before them for adjudication. Reducing dividends is one thing and reducing benefits, like the Pacific Mutual is attempting to do, is an entirely different matter.

#### State Departments Being Criticized

"I am interested in your statement that 'the non-cancellable department from the very beginning has been woefully deficient in its premiums when compared with the liability assumed.' This no doubt is true and I am wondering why the insurance department of California and other insurance departments have permitted the Pacific Mutual to sail merrily along without

of Foresters, Michigan congress, vice-president; Bruce Meixel, Ben Hur Life, Pennsylvania congress. A committee was appointed to draw rules and regulations. It is proposed to restore state congresses in all states and to gather information about matters of interest to the fraternal. There are now 16 state congresses.

correcting this condition. The management probably had a purpose in not wanting the condition corrected and some one in the Pacific Mutual official family is certainly guilty of unwise underwriting. No doubt a splendid piece of work has been done by Commissioner Carpenter and his associates but the splendid piece of work will not be fruitful if they carry through the plan of penalizing one class of policyholders in favor of another. As I understand it, the stockholders will be wiped out and the company mutualized. The only fair thing to do is to put a lien on all policies and consider all policyholders in every class on a parity. If this thing is permitted in California, it is going to seriously affect the institution of life insurance. Companies will be taking the position that certain classes of their business have shown a loss and will attempt to reduce benefits under certain types of contracts and not on others. You can readily imagine how far the thing can go."

## Use of Disability Factor in Dividend Calculations

(CONTINUED FROM PAGE 1)

same dividends are paid, it means that holders of non-disability policies are being charged for the protection offered disability policyholders.

Mr. Bullitt declared that a non-disability policy has nothing whatever to do with disability benefits. Its holder has paid for, and received, death benefits only. He also stated the disability provision does not constitute a separate

## O'Malley's Mentor Under Same Roof at N.F.C. Meet

In the same hotel in New York City in which leaders of the National Fraternal Congress were fulminating this week against Commissioner O'Malley of Missouri, Thomas J. Pendergast of Kansas City, boss of the Missouri political machine of which Mr. O'Malley is a part, has had a suite for some weeks. Mr. Pendergast is also the political mentor of Maj. Lloyd Stark, the Democratic candidate for governor, against whom the fraternalists waged a bitter fight until during the last week of his campaign he came out and denied ever having been opposed to the fraternal and promised to do everything to get them a fair deal.

contract, as has been contended in some cases, but that it is an integral part of the policy itself.

He maintained a non-disability policyholder must not be penalized by being forced to pay, directly or indirectly, for the disability protection furnished to another policyholder. Under the contribution plan, the surplus which one policy creates must not be reduced, in order to give to another policy a part of a surplus to which that policy has not contributed. The contribution plan would obviously lose its meaning if it were modified so that dividends on some policies would be reduced simply to increase dividends on other policies.

\* MODERN LIFE INSURANCE SINCE 1845 \*



## THE RIGHT WAY

The insured and his wife were killed in an automobile accident. The wife survived the insured by twelve hours. The policy provided continuous monthly income, ten years certain, to the wife if she survived the insured; otherwise to three daughters for ten years without the continuous feature. Instalments with the continuous feature were \$73; not continuous, \$136.

The survival of the wife gave the Company the "contract right" to pay the smaller amount. A young man of the Company took the question to a vice president who had faced a similar situation nearly fifty years ago.

"How do you think it should be paid?" the young man was asked.

"I think we ought to give the daughters the larger amount."

"Why?"

"I think it is right."

—AND THAT WAS DONE.

The  
**MUTUAL BENEFIT**

LIFE INSURANCE COMPANY • NEWARK • N. J.

## EDITORIAL COMMENT

### Palmer and Descartes

INSURANCE DIRECTOR PALMER of ILLINOIS ended his address at the meeting of the CANADIAN superintendents association by reciting a poem, "The Calf Path." This has come to be one of Mr. PALMER's favorite verses. He recited it at the banquet during PITTSBURGH INSURANCE DAY last February.

This poem tells about the trail that was started through the primeval woods by a calf. It pursued a circuitous course. Eventually this crooked path developed into a lane, then became a road, then a village street, then a city's crowded thoroughfare, and "man two centuries and a half trod in the footsteps of that calf."

"For thus such reverence is lent to well established precedent," the poem observes at a later point.

"A moral lesson this might teach, were I ordained and called to preach; for men are prone to go it blind, along the calf paths of the mind, and work away from sun to sun to do what other men have done."

The poem was a natural for Mr. PALMER. It expresses his theory about insurance legislation. He has been maintaining that the insurance people have been contentedly living under obsolete legislation rather than cutting a modern thoroughfare. In the ILLINOIS insurance code, Mr. PALMER was trying to build a modern, straight highway, he contended, in effect, but he was blocked by powerful insurance interests.

### Conservation of Business

BUSINESS saved is often business gained. Perhaps we are too complacent when we secure business and take it for granted that it will remain on the books. We spend a lot of time in straining for new accounts and often neglect the old ones. In an office able

Without undertaking to make a decision between the philosophy expressed in "The Calf Path" and the theory expressed by the FRENCH philosopher RENE DESCARTES, in his "Discourse on the Method of Rightly Conducting the Reason and Seeking Truth in the Sciences," we present herewith a quotation from the latter work, which sets up a contrary view to the moral of "The Calf Path":

"Large bodies, if once overthrown, are with great difficulty set up again, or even kept erect when once seriously shaken, and the fall of such is always disastrous. Then if there are any imperfections in the constitutions of states (and that many such exist, the diversity of constitutions is alone sufficient to assure us) custom has without doubt materially smoothed their inconveniences, and has even managed to steer altogether clear of, or insensibly corrected a number which sagacity could not have provided against with equal effect; and, in fine, the defects are almost always more tolerable than the change necessary for their removal in the same manner that highways which wind among mountains, by being much frequented, become gradually so smooth and commodious, that it is much better to follow them than to seek a straighter path by climbing over the tops of rocks and descending to the bottoms of precipices."

We suggest an answer for Mr. PALMER. M. DESCARTES died in 1650.

### Selling with a Plan

UNDOUBTEDLY the major rule for life insurance salesmen today is "Sell with a plan." We mean by that that a policy should be sold for some specific need rather than just adding to one's life insurance estate. Many times in the past a man who has carried \$15,000 insurance, for example, has been urged by an agent to make it \$20,000 for no particular reason. Why should it not have been \$21,000 or \$23,000? In order to popularize life insurance and make it appeal to persons in a businesslike way, an agent should be able to show a person just what life insurance will do for him, what his existing life insur-

ance will accomplish, then consider his own program he has mapped out and see how far his insurance will go in making it materialize. That will give him a foundation on which to build for the future.

Life insurance should be applied to a definite program. Every man who feels his responsibility and has in his makeup proper realization of his duty to those dependent on him is very much interested in being able to carry out his life program. If he lives, then he can see for himself how it works out. The contingency of death or disability is always at hand, but his program will

be completed regardless of what happens to him through the intelligent application of life insurance proceeds. In other words, it a very good idea to have the prospect look over the shoulder of his executor or administrator, so to speak, and see just what will happen in case of his death at any particular period.

Selling with a plan will bring an agent in close contact with people because every man is intensely interested

in his own affairs and his own problems. When therefore an agent has the ability first to get from a man what his minimum requirements are, then take his existing insurance and see how far it will go and then discuss with him as to what path he can follow in a practical way in the future, that has a great appeal and in our opinion that will be the course that will be pursued in the future in the sale of life insurance.

## PERSONAL SIDE OF BUSINESS

**R. C. Dickenson**, 64, general attorney of the Travelers, was stricken with a heart attack from which he died in his automobile on the way to his home in Hartford. He had been with the Travelers since 1903, when he was appointed an examiner of claims in the liability department. A short time later he entered the law department and subsequently became general attorney.

**Paul W. Cook** of the Drew agency of the Mutual Benefit Life at Chicago leads the entire field for the first seven months, he being the first in every month. In 1934 he was the third man in the entire Mutual Benefit organization and last year he was fourth. Mr. Cook is a C.L.U., knows the business thoroughly, gets large cases and gives the best kind of advice to his clients.

In recognition of his sixth anniversary as northern New Jersey general agent of the Provident Mutual Life, **A. F. Gillis** was tendered a luncheon in Newark. He has been active in the life insurance field in northern New Jersey for a number of years.

Those attending the meeting of the National Association of Life Underwriters in Boston will be greeted in unusual style with a special floral arrangement in Boston's public garden. The park experts have set out plants in a design to spell "The National Association of Life Underwriters. Founded 1890. Welcome. Life insurance a declaration of financial independence." This floral welcome will be ablaze with fall colors when the members are in session during the week of Sept. 21. The arrangement was suggested by **Mrs. E. H. Brock**, chairman of the women's guest committee, whose husband is vice-president of the John Hancock Mutual.

A gathering of Philadelphia insurance men, representing all branches of the business, gave Commissioner **O. B. Hunt** of Pennsylvania a farewell dinner prior to his sailing for a month's visit to his parents in County Mayo, Ireland.

The dinner, which was arranged by **M. W. Kolander**, attorney, and **William Bishop**, Philadelphia agent, was very informal. About 38 attended. Vice-President **John A. Stevenson**, Penn Mutual Life, was toastmaster and presented Mr. Hunt an etching of himself by a young Philadelphia artist, **Moscowitz**, who recently won fame with his portrait of President Roosevelt.

Among those present were **H. G. Brown**, New York resident vice-president Continental Casualty; **John Gallagher** and **B. S. Walsh**, Home Life of America; **S. H. Shoch**, secretary, and

**Roscoe Koch**, counsel North America; **Samuel Carr**, resident vice-president Standard Accident; **E. B. Creighton**, president, and **M. J. Broderick**, secretary Eureka Casualty; **P. H. Mell**, Middle Department manager Pearl fleet; **Deputy Commissioners E. S. Joseph** and **M. J. Bradley** and **H. Erickson**, head of the liquidation division of the insurance department.

Mr. Hunt, who had been one of the speakers at the National Fraternal Congress meeting in New York Tuesday, was tendered an informal dinner by a number of close friends at the Biltmore Hotel Tuesday evening.

The affair was attended by **E. S. Joseph**, **M. Kolander** and **Joseph Sexton** of the Pennsylvania department; **Deputy Commissioner Harris** of Tennessee; **K. H. Bair**, president National Association of Insurance Agents; **G. N. Beisel** and **Mrs. Beisel** of Easton, Pa., **Vincent Cullen**, president National Surety, and **Mrs. Cullen**; **Deputy Commissioner McLoughlin** of the New York department and **Mrs. McLoughlin**; **M. O. Garner**, senior counsel National Surety, Mr. and Mrs. **Walter Owens** and Mr. and Mrs. **William Billings**.

**Harry V. Wade**, assistant to the president of the United Mutual Life of Indianapolis, who is head of the agency department and is chairman of the Financial Section of the American Life Convention, will present a paper on insurance investments before the annual meeting of the Industrial Insurers Conference at Nashville Sept. 21.

**Harry W. Stanley**, Wichita general agent of the Equitable of Iowa, has been awarded the Cyrus Kirk Memorial Cup by his company for writing the best essay on "Options of Settlement in Action." Equitable agents throughout the United States are eligible to compete for the cup, which was first offered in 1914 by the family of **Cyrus Kirk**, for years president of the company.

On completion of 20 years' active service with the Hooper-Holmes Bureau and on the eve of his retirement from business, **H. F. Cary** will be guest of honor at a dinner Aug. 31 in San Francisco. He has been with the bureau's Pacific Coast offices since 1916 when he was appointed manager at San Francisco. More than 200 guests are expected to attend from the bay region. **J. C. King**, director of sales and son of President **John J. King**, will be host. Mr. Cary, a native of Oswego, N. Y., after early training with the Pinkerton Detective Agency, joined the inspection department of the Mutual Life of New York as district

## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION  
PUBLISHED EVERY FRIDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704.

**E. J. WOHLGEMUTH**, President  
**LYNNER CARTWRIGHT**, Asst. Man. Editor

**C. M. CARTWRIGHT**, Managing Editor  
Associate Editors: **F. A. POST**, **C. D. SPENCER**, **D. R. SCHILLING**

**H. J. BURRIDGE**, Vice-Pres.  
**JOHN F. WOHLGEMUTH**, Secretary

**JOHN F. WOHLGEMUTH**, Secretary  
**JOHN F. WOHLGEMUTH**, Secretary

**CINCINNATI OFFICE** — 420 E. Fourth St., Tel. Parkway 2140. **Louis H. Martin**, Mgr.; **Abner Thorp, Jr.**, Director Life Ins. Service Dept.; **C. C. Crocker**, Vice-President.

**HARTFORD OFFICE** — Room 502, 18 Asylum St., Telephone 7-1227. **R. E. Richman**, V. P.

**NEW YORK OFFICE** — 1200-123 William St., Tel. Beekman 3-3958. **Editorial Dept.** — **G. A. Watson**, Assoc. Ed.; **R. B. Mitchell**, Asst. Ed.; **Business Dept.** — **N. V. Paul**, Vice-Pres.; **W. A. Spiker** and **J. T. Curtin**, Resident Managers.

**PHILADELPHIA OFFICE** — 1127 Fidelity-Philadelphia Bldg., Tel. Pen. 3706. **W. J. Smyth**, Res. Mgr.

**SAN FRANCISCO OFFICE** — 507-8-9 Flatiron Bldg., Tel. Kearny 3054. **F. W. Bland**, Res. Mgr.; **Miss A. V. Bowyer**, Pacific Coast Editor.

**DETROIT OFFICE** — 1015 Transportation Bldg., Tel. Randolph 3994. **A. J. Edwards**, Res. Mgr.

**DES MOINES OFFICE** — 325 Insurance Exchange, Tel. 44417. **R. J. Chapman**, Res. Mgr.

**DALLAS OFFICE** — 1218 Kirby Bldg., Tel. 2-4491. **Fred B. Humphrey**, Res. Mgr.

**ATLANTA, GA., OFFICE** — Trust Company of Georgia Bldg., Tel. Walnut 5867. **W. M. Christensen**, Res. Mgr.

**CANADIAN BRANCH** — Toronto, Ont., 34 King St. East, Room 201. Tel. Waverly 2354-5. **Ralph E. Richman**, Vice-Pres.; **W. H. Cannon**, Manager.

Subscription Price \$3.00 a year in United States and Canada. Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year. Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.



inspector in several western states, going to California in 1912. Four years later he resigned to go with the Hooper-Holmes Bureau. For the past ten years he has held the title of supervisor in charge of sales and operations of the Pacific Coast and inter-mountain territories, where substantial strides were made under his direction.

C. H. Ellis, president Pan-American Life, again has been appointed to the special committee on merchant marine of the United States Chamber of Commerce. He has been a member of this committee for several years.

Mrs. F. W. Darling, wife of the agency manager Bankers Life of Iowa at Cedar Rapids, fulfilled an ambition of 20 years by making a solo flight at the municipal airport there. Mrs. Darling took her first flying lessons about five years ago and recently resumed her instruction. On her solo flight she made several take-offs and landings, spending about 20 minutes in the air. She plans to keep on flying a little at a time, until she has had the necessary 50 hours of solo flying experience to make her eligible for a pilot's license.

Henry Stevens of the Toledo agency of the Ohio State Life, one of the company's leading producers, who was taken ill at Montreal while attending the Ohio State Life agency convention, is now recuperating at his home in Toledo.

President R. R. Lounsbury of the Bankers National Life of Montclair, N. J., made the Hole-in-One-Club. In fact, this is Mr. Lounsbury's second achievement. His more recent accomplishment was performed at the Maidstone Country Club, Easthampton, L. I., on the 12th 135 yard hole. Mr. Lounsbury used a No. 7 iron. A year ago he executed a similar feat on his own home course at Baltusrol.

Isaac Miller Hamilton, president of the Federal Life of Chicago, is returning this week from an agency trip to Philadelphia.

Daniel Boone, Jr., president of the Midland Life of Kansas City, victim four years ago of a holdup in that city, has just secured a parole for one of the two robbers, who was a first offender and influenced by a confirmed criminal. Mr. Boone helped to convict the man, who was 25 years of age, but after letting him serve a four-year prison term, investigated and urged parole. The man is married and has a small daughter born after he went to prison and whom he has not seen. His family is on relief.

Leo R. Porter, secretary Kansas Life Underwriters Association and Wichita general agent Lincoln National Life, reports the arrival of a son who has been named Kent Cavanaugh.

Craig Kennedy, Wichita, Kan., agency supervisor of the Northwestern National Life, was elected commander of the Thomas Hopkins post of the American Legion, which will be host to the state convention Sept. 6-8.

J. N. Russell, agency adviser Pacific Mutual Life and nationally known association worker for 25 years, returned on the "Queen Mary" from a pleasure trip of three and a half months in Europe, accompanied by Mrs. Russell. They visited England, Scotland, the North Cape, Stockholm, Leningrad, Moscow, Berlin, where they witnessed the Olympic games, and then spent ten days in Paris.

Carnot Brennan, C. L. U., with the Clayton Mammell agency of the Farmers & Bankers Life, Wichita, Kan., lost the Democratic nomination for sheriff of Sedgwick county in the primary by 14 votes. He will not suffer for the lack of civic responsibilities, however, as he is a regent of the University of Wichita and has been secretary for the past three years.

## 20 Year Man



W. C. SCHUPPEL

W. C. Schuppel, executive vice-president of the Oregon Mutual Life, has completed 20 years in the service of that company. He joined the Oregon Mutual in 1916 as supervisor for western Oregon. In 1922 he was appointed superintendent of agencies, in 1929 vice-president in charge of production and in 1930 executive vice-president and director.

## Edwards Opposes Hobbs in Kansas Commissioner Fight

Chas. F. Hobbs, Kansas insurance commissioner was unopposed for the Republican nomination in the primaries in that state but will be opposed in the general election by J. H. Edwards of Sedan, Democrat, a former life company official.

J. B. Patterson, Wichita adjuster and attorney, won the Republican nomination for Congressman in the 5th Kansas district by a large majority over his four opponents and now faces J. M. Houston, Democratic incumbent, in the general election. Other Wichita insurance men were not so successful in the primaries, Claude Dearth, member of the Wichita Insurers, was defeated for county commissioner, as was LeRoy Scriven. Carnot Brennan, Farmers & Bankers Life agent, lost the Democratic nomination for sheriff by only 14 votes.

## Kentucky Opinion on Trusts

Creation of an insurance trust, the assistant attorney general of Kentucky holds, does not affect application of state inheritance taxes. He said an insurance trust agreement through which a trust company acts as trustee for the beneficiary and the insurance policy should be construed together. The inheritance taxes, he held, are applied irrespective of the function of the trustee.

"Under the old act," he said, "when and where a policy or policies are so drawn that the proceeds are payable to a designated individual or individuals, the inheritance tax is not applicable to any part of the proceeds, while under the new act with a policy or policies so drawn the tax is applicable to all of the proceeds in excess of \$10,000."

## Kirven Elected Secretary

J. M. Kirven has been elected secretary of the Palmetto State Life of Columbia, S. C., succeeding A. F. Langley, who resigned to become actuary of the Carolina Life.

Mr. Kirven has been with the Carolina Life 10 years, beginning as an agent at Florence. The past 1½ years he was manager at Jacksonville, Fla.

Since its organization in 1851 the Massachusetts Mutual Life Insurance Company has paid more than 700 Million Dollars to its policyholders and beneficiaries.

• • •

## MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

SPRINGFIELD, MASSACHUSETTS

AGAIN, during the first six months of 1936, trained Liberty National Agents substantially increased their average earnings. To do so, they produced 4% more new paid insurance, increased insurance in force by 9%.

## LIBERTY NATIONAL LIFE INSURANCE CO.

Birmingham, Alabama

FRANK P. SAMFORD, President

NEW JERSEY

NEW YORK

INDUSTRIAL—INTERMEDIATE

The Colonial Life Insurance Company OF AMERICA

HOME OFFICE—JERSEY CITY, NEW JERSEY

Ordinary — Group

"A Good Company To Represent —Represent a Good Company"

PENNSYLVANIA

CONNECTICUT



## General Agency Openings

with

## A GREAT COMPANY GROWING GREATER

A Company that has

### \*A Liberal Contract

(Both First Year and Renewal Commissions)

### \*An Attractive Line of Policies

(designed to fit every need)

### \*A Unique Sales Program

Practical assistance and co-operation in the field

Enjoy the advantages of

**COMMONWEALTH CORDIAL  
CO-OPERATION  
IT WORKS**

Write

J. Herbert Snyder,  
Agency Vice-President.

**COMMONWEALTH  
LIFE INSURANCE CO.  
LOUISVILLE, KY.**

## NEWS OF THE COMPANIES

### Great Republic Life Sale Is Target in Legal Action

In an effort to block sale of the Great Republic Life of Los Angeles for any amount less than \$500,000, Attorney H. S. Dottenheim, acting for two stockholders, filed complaint in superior court at Los Angeles. The company is in the hands of the department. Defendants in the suit include the Great Republic Life, its directors, voting trustees and Commissioner Carpenter. The complaint asks that directors be enjoined from acting as such on the grounds they never were legally elected; the election be declared void and the company enjoined from carrying out sale of assets to the Postal Union Life, and the court is asked to enjoin the commissioner and directors from disposing of assets.

The three proposals for reinsurance thus far received are inadequate, the complaint alleges. Offers have been submitted by the Postal Union Life, Griffith, Wagenseller & Durst & Associates and the Occidental Life of Los Angeles. The complaint alleges that a reappraisal of assets would show substantial improvement with an equity in favor of stockholders entitling them to rehabilitation.

### Ontario Equitable Change

The business of the Ontario Equitable Life & Accident has now become the business of the Equitable Life of Canada. This means the Ontario Equitable Life & Accident is now operating under Dominion charter, and a new name. This company has been in business since 1920.

The Equitable Life has listed its stock in the amount of 67,416 shares of \$5 each on the Toronto stock exchange. This means a reduction of its capital by about 50 percent and transfer of capital to surplus. The company was organized in 1920 by S. C. Tweed, following the withdrawal of the New York Equitable from Canada. The new company is incorporated by special act of the Dominion of Canada. It has heretofore issued non-participating only but will now issue participating also. The company specializes on estate planning somewhat after the Home Life of New York and also on family income. There is no change in management or holding of stock from the old Ontario Equitable.

### Great Northwest Life Move

The Great Northwest Life of Spokane will have new quarters in the Columbia building, where two-thirds of the second floor is being altered to provide for the company and also for offices of the law firm of Weaver & Weaver. S. P. Weaver is president of the life company.

### Central States Life May Get \$1,250,000 RFC Loan

ST. LOUIS, Aug. 27.—It has been learned that the local office of the Reconstruction Finance Corporation and the directors of the Central States Life have agreed in principle on the terms under which the company will be given a \$1,250,000 RFC loan. The mechanics of the plan are still to be worked out, according to A. L. McCormack, a vice-president of the Central States.

Under the tentative plan agreed upon, a majority of the stock of the Central States Life would be placed under a voting trust agreement for five to seven years. This would place control of its affairs in the hands of a board of trustees approved by the directors of the company and the RFC.

The \$1,250,000 loan would be used in part to pay off a balance of about \$750,000 due to the RFC under a larger loan secured several years ago. It would also enable the company to lift completely a partial moratorium on policy loans and cash surrender payments which was put into effect June 27, 1933.

### Great American at Mid-Year

Great American Life of San Antonio in its mid-year statement shows assets \$1,791,151, policy reserves \$766,808, capital \$500,000 and net surplus \$401,155. Insurance in force exceeds \$21,500,000.

### Life of Detroit Exhibit

The Life Insurance Company of Detroit which was formed to take over the Detroit Life, in its midyear statement, shows assets \$11,823,108 including cash \$308,338, bonds \$772,090, mortgages \$1,264,182, real estate \$987,043; policy loans \$1,388,729, lien on Detroit Life policies \$2,572,136.

Policy reserves amount to \$6,574,583, capital \$200,00 and net surplus \$188,047.

### Indiana Company Changes Name

Authority to change the name of the Anderson Home Life to the Progressive Life is asked in a petition filed in circuit court at Anderson, Ind. The petition, signed by H. H. Fulmer, vice-president, and J. I. Garrett, secretary, says the change has been approved by the directors.

### Ohio Farm Bureau Buys Building

The Ohio Farm Bureau has purchased the Pure Oil building at High and Chestnut streets, Columbus, turning in on the purchase its property on East Broad street. It is expected that the Co-operative Life, which is owned by the farm bureau, will eventually be moved from the AIU Citadel to the Pure Oil building.

## AMONG COMPANY MEN

### Graham with Home Life

Former U. S. Life Vice-president Named Assistant Superintendent of Agencies —J. F. Walsh Is Promoted

NEW YORK, Aug. 27.—Two new assistant superintendents of agencies have been added to the home office agency staff of the Home Life of New York. The appointees are John F. Walsh, formerly home office agency field assistant, and Ben S. Graham, Jr., formerly vice president of the United States Life.

Mr. Walsh has been in the business for 11 years. At one time he had charge of brokerage business for one of the larger New York agencies, and

a successful producer in that capacity. He went with the Home Life as supervisor in the John J. Gordon agency in 1930, where he remained until 1935, being appointed at that time as agency field assistant in the home office.

As field assistant his activities have embraced practically every phase of agency work, assisting general agents in recruiting, training and joint sales work.

### Others Who Have Advanced

The Home Life's agency field assistants have provided the company with much management material. V. W. Holleman, Washington, D. C., general agent, C. M. Fritsche, assistant general agent at St. Louis, D. D. Johns, manager of the home office sales division, and W. G. Thompson, manager of the

Radio City branch in New York are all former field assistants.

Mr. Graham is returning to the Home Life, for his first introduction to the business was as a successful producer in the John Scott agency in Brooklyn. He is a graduate of Cornell University, and first engaged in real estate with his father, shortly thereafter entering life insurance.

### Helped Organize Company

He resigned from the Scott agency in 1925 to help organize the Brooklyn National Life in which he progressed to the position of vice-president and director. When Brooklyn National was merged with United State Life Mr. Graham continued as vice-president in charge of production after the merger, resigning in August of this year.

He was a state vice-president of the American Life Convention and an active member in the New York Association of Life Underwriters.

### W. C. Carpenter New President

W. C. Carpenter, formerly first vice-president, has been elected president of the Virginia Life & Casualty of Richmond. He takes the place that has been vacant since the death of T. E. Tragle last May.

### Weide Makes New Hookup

O. S. Weide of Los Angeles, who has been doing claim adjusting for several life companies, has been placed in complete charge of both the life and accident claims department of the National Guaranty Life of Los Angeles. He has been in the insurance business for 20 years and in claims work for the past several years.

## NEW YORK NEWS

### MRS. LOW SETS TUNA RECORD

Breaking the women's world record for bluefin tuna twice within three days was the feat of Mrs. Francis H. Low, whose husband is with the S. R. Whitten agency of the Home Life of New York in New York City. Mr. Low is an internationally known deep-sea fisherman and holds the record for the largest tuna ever caught in United States waters, but it was Mrs. Low's first experience in going after big fish.

Mrs. Low caught her fish in Jordan's Bay, Nova Scotia. About half a minute after she had dropped her line over, she had hooked a 600 pound tuna that set a women's world record. It took six hours and 20 minutes of fighting to bring it in. Two days later she landed a fish weighing 749 pounds. While his wife was playing this larger fish, Mr. Low hooked a tuna weighing 624 pounds.

Mr. Low has not let his fishing activities interfere with his production. He has been in the field less than a year, and since Jan. 1 has paid for \$250,000. Mr. and Mrs. Low were married about a month ago.

Mr. Low's father, Chairman E. I. Low of the Home Life, recently caught a 382 pound tuna, the largest ever caught off Manasquam inlet, N. J.

\*\*\*

### JULY SALES UP IN NEW YORK

The New York City Life Underwriters Association estimates total sales of life insurance in New York City for July at \$57,655,000 as against \$54,194,000 for July, 1935.

### Eleanor Skillun Not to Appear

Eleanor Young Skillun of the A. E. Patterson Penn Mutual agency in Chicago will not be able to keep her engagement to speak at the meeting of the women agents in connection with the annual meeting of the National Association of Life Underwriters in Boston. She was scheduled for a talk the morning of Sept. 22.



## LIFE AGENCY CHANGES

### H. J. Powell Agency Divided

**Burgess Named Louisville Manager, Woodward Cincinnati Head and Taylor to Take Charge at Dayton**

There is quite a change in the Equitable Life of New York setup, caused by the splitting up of the H. J. Powell agency of Louisville into separate offices at Dayton, Louisville and Cincinnati.

G. J. Woodward, formerly district manager at Cincinnati, is appointed manager at Cincinnati. Mr. Woodward began with the Equitable as an agent at Topeka in 1927. In 1928 he was made district manager at St. Joseph, Mo., being transferred to Wichita in the same capacity in 1931. Prior to his connection with the Equitable he was football coach at Washburn college and Kansas State Teachers College. Vice-president W. W. Klingman and F. T. Limont, superintendent of agencies southern department, were in Cincinnati for a luncheon where Mr. Woodward was introduced to members of the Cincinnati agency.

The new manager at Dayton is J. K. Taylor, formerly Tulsa district manager; at Louisville, S. A. Burgess, formerly Miami district manager.

Territories for each of the offices have not been definitely determined. Appointments of successors for the three new managers have not been made so far.

The disposition of L. C. Cook, Dayton district manager, and H. D. Peter, Cincinnati assistant manager, is unannounced.

Mr. Burgess has been 15 years with the Equitable for the last six years as agent at Miami.

For many years the Powell office was a general agency, and one of the few remaining offices of the Equitable operated on that basis.

Mr. Burgess arrived at Louisville and was introduced to the Louisville organization at a luncheon. He was born at Kingtree, S. C.

Kansas is getting to be well represented in Cincinnati. Three important agency men who were stationed in Wichita at one time together now head prominent agencies at Cincinnati. They are: G. J. Woodward, Equitable Life manager; I. B. Jackson, general agent Massachusetts Mutual; J. C. Benson, Union Central home office agency manager. It is rumored that there will be a Cincinnati Landon boom.

### Becker Made Manager

The J. F. Hickey Company of St. Louis, manager Union Mutual Life for eastern Missouri, has appointed Wesley H. Becker manager of its life department. Heretofore Mr. Becker and F. Carl Schumacher have functioned as associate managers of the department. They also have been giving some of their time to other lines of insurance. Under a rearrangement Mr. Becker will devote his entire time to the development of the life department and Mr. Schumacher assumes executive duties in the casualty and fire departments. Mr. Becker is an experienced, well known life insurance man of St. Louis, long associated with the J. F. Hickey organization. The Hickey agency has been manager of the Union Mutual Life since 1934.

### Dowell Goes to Seattle

Dudley Dowell, agency director of the Montana-Wyoming district of the New York Life, has been appointed agency director at Seattle, where he will relieve Inspector of Agencies A. S. Elford in immediate charge of that office. Mr. Dowell's headquarters have been at Butte. He went to Butte from Little Rock in 1929. He has been very prominent locally. He organized the Butte

Life Underwriters Association and has been the Montana representative of the Life Presidents Association. He started as an office boy for the New York Life in Little Rock. Then he was promoted to a higher position in Memphis, Tenn., and later in Jackson, Miss. Inspector of Agencies Elford, relieved of the duty of looking after Seattle, will be able to supervise the bigger territory under his charge.

### Open Branch in Oakland

The Mutual Benefit Health & Accident and United Benefit Life have planted a branch office in Oakland, Cal., with C. L. Gurney as manager. For many years the companies were under the management of the W. P. Jarvis agency of Oakland. Following the death of Mr. Jarvis four years ago, the business was carried on under the direction of Mrs. Pearl Jarvis, his widow.

### FORMER MANAGER SUES

Pearl B. Jarvis, former Oakland general agent of Mutual Benefit Health & Accident and United Benefit Life, has brought two damage suits totaling \$450,000 against those two companies in San Francisco superior court. She alleges that officers of the companies went to her office Aug. 11 without previous warning and transferred all policyholders' and agents' accounts to new management and offered to buy furniture as compensation for the business that was established by Mrs. Jarvis.

### Named Mutual Benefit Oregon General Agent



EDWARD K. ROTH

Edward K. Roth, for four years an outstanding representative at Tulsa of the Mutual Benefit Life, has been appointed general agent at Portland, Ore. He succeeds the late Ira L. Gregory.

The Portland agency was established in 1892. It serves five counties of Idaho as well as Oregon. Mr. Roth entered the Tulsa office in 1932 after more than 15 years in the operating end of the oil business. He tackled the job of learning the insurance business in a business-like manner and made good from the start. His production has been regular and of high quality.

Mr. Roth was awarded the C. L. U. designation in 1935. Last year he was selected as instructor in the underwriters school which prepared men for C. L. U. examinations, headed a committee which drafted the local life underwriters association's code of ethics.

He was born in 1892 in Fairfield, Ia., and was educated in Fairfield public schools and at Cornell University.

husband who died in 1932. She alleges that accident premiums produced by the agency amounted to \$300,000 a year.

### Dale Made Dallas Supervisor

The Great Southern Life has appointed E. E. Dale, Oklahoma City, as city supervisor at Dallas. Mr. Dale has been general agent for the Lincoln National Life at Oklahoma City, which position he now leaves, and had taken an active part in organization activities there.

### Schwabe with N. W. National

Max Schwabe has been appointed general agent of the Northwestern National Life at Columbia, Mo., taking over the territory formerly under the John M. Darling agency. Mr. Darling, who has been general agent there for the past year, and who was instrumental in bringing Mr. Schwabe to the company, remains in Columbia, where he will continue in a supervisory capacity and devote his time to special cases on which he has been working. Mr. Schwabe is well known in Columbia as a life man, as he has represented the Equitable of New York in that city for the past ten years. He is a graduate of the University of Missouri in Columbia.

### Kraemer with American National

E. E. Intlehowse, Pacific Coast supervisor of agents of the American National, announces the appointment of George N. Kraemer as manager for Washington with headquarters at Seattle. He was an agent for the Mutual Life of New York for some 23 years.

### Merchant Made Supervisor

Stacy Merchant, supervisor of the National Life of Vermont in Illinois for a number of agencies, has resigned to become supervisor for the Mutual Trust Life in all Illinois except a tier of northern counties. His headquarters have been at Bloomington.

### Life Agency Notes

Jay C. Banta, former president of the Topeka, Kan., Life Underwriters Association, who resigned in the spring to represent the New England Mutual at Wichita, has returned to Topeka and rejoined the staff of the Connecticut Mutual.

The E. C. Schuchhardt & Co. agency of Baltimore is opening a life department with J. R. Hughes as manager. The Bankers National Life is being represented.

The Dixie Life & Accident has opened a branch office for northeastern Arkansas at Helena under the management of H. F. Latimer.

J. H. Sullivan, formerly with the Southland Life, has been appointed district agent of the Guaranty Mutual Life at George West, Tex., for Live Oak and adjoining counties.

The Manufacturers Life has appointed F. J. McAvoy inspector at Sault Ste. Marie, Ont., succeeding J. A. McCutcheon who has been transferred to Barrie as manager.

Robert McConach has been appointed district manager at Duluth for Great-West Life.

### Bankers National Life Now Has Hospitalization Policy

The Bankers National Life of New Jersey, which is chartered to write accident and health insurance but has not previously engaged in the line, is now offering a hospitalization policy on the individual as well as the group basis. This contract is being sold through a special office in Chicago by D. E. Ruggles, general agent. That office is at 919 North Michigan avenue. The benefits are payable direct to the hospital and there is a limit of liability of \$6 per day for hospital room and other expenses. Mr. Ruggles was formerly connected with the Travelers in the life, accident and health department in Cincinnati and Baltimore. He was at one time life department head of Fred S. James & Co., Chicago.

## ACTUARIES

### CALIFORNIA

Barrett N. Coates Carl E. Herfurth  
**COATES & HERFURTH**  
CONSULTING ACTUARIES  
114 Sansome Street SAN FRANCISCO 437 So. Hill Street LOS ANGELES

### CONNECTICUT

**Frederic S. Withington**  
Consulting Actuary  
317 Willow Street  
New Haven, Conn.  
Telephone 5-6231

### ILLINOIS

**DONALD F. CAMPBELL**  
Consulting Actuary  
160 N. La Salle Street  
Telephone State 1213  
CHICAGO, ILLINOIS

Specialty, Income Taxes of Insurance Companies  
**WILLIAM W. CHAMBREAU**  
Consulting Actuary and Tax Consultant  
111 West Monroe Street, Chicago  
Organization, Management, Tax Service  
Washington Office Investment Bldg.

**CONOVER, GREEN & CO.**  
Actuarial and Insurance Consultants  
120 South LaSalle Street, Chicago  
Chase S. Conover Telephone  
Walter C. Green FRANKlin 3068

### INDIANA

**Haight, Davis & Haight, Inc.**  
Consulting Actuaries  
FRANK J. HAIGHT, President  
Indianapolis, Omaha, Kansas City

**HARRY C. MARVIN**  
Consulting Actuary  
307 Peoples Bank Building  
INDIANAPOLIS, INDIANA

### MISSOURI

**ALEXANDER C. GOOD**  
Consulting Actuary  
Central Missouri Trust Company Building  
Jefferson City, Missouri

### NEW YORK

**MILES M. DAWSON & SON**  
CONSULTING ACTUARIES  
500 Fifth Avenue New York City

Established 1865 by David Parks Fackler  
**FACKLER and BREIBY**  
Consulting Actuaries  
Edward B. Fackler William Breiby  
8 WEST 40TH STREET NEW YORK

### PENNSYLVANIA

**FRANK M. SPEAKMAN**  
CONSULTING ACTUARY  
Associates  
Fred E. Swartz, C. P. A.  
E. P. Higgins  
THE BOURSE PHILADELPHIA

## SALES MEETINGS

### West Coast Life Gathering

Agents of Northern and Intermountain Departments in Three-day Session at Victoria, B. C.

Quality business and methods of producing it was the theme of a regional meeting of West Coast Life agents held at Victoria, B. C., for three days. About 90 field men and their wives attended from the northern and intermountain departments.

Executives present were: F. V. Keesling, vice-president and general counsel; Gordon Thomson, vice-president and manager of agencies; Dr. M. O. Austin, medical director; J. W. Stewart, superintendent of agencies of the departments, Portland, and H. J. Stewart, superintendent of agencies of the departments, Seattle.

The party left by boat and upon arriving in Victoria went on a scenic drive which included a tour of the famous Butchart's Gardens. The banquet that evening was in honor of members of the Leading Producers Club of the two departments. Superintendent of Agencies Stewart extended welcome and Vice-president Thomson presented certificates to honor agents. P. W. Dennison, Seattle agency organizer, as leading producer automatically became president of the club; C. B. Shear, Portland agency organizer, first vice-president; R. M. Sweet, Seattle, second vice-president; H. A. Lewis, agency organizer, Kemmerer, Wyo., secretary. Lew Ellsworth was master of ceremonies. A bridge party followed the meeting.

Mr. Stewart presided the second morning, the keynote being "How to

Improve the Quality of Business." "The Factors of Quality" was the subject of Vice-president Thomson's address. The record of life insurance for the period 1923-33, during which \$204,679,900,000 new business was written but \$147,102,000,000 went off the books, excluding claims and maturities, he said was proof of the need for concentration on the problem. Instead of volume, he said, agents should make practical application of the factors of quality business as developed in the Curtis Publishing Company's survey. He urged emphasis on increasing the average size of the policy written.

Ralph Sweet spoke on "Securing Business from Higher Occupation and Income Classes."

#### Other Speakers on Program

Agency Organizer Lewis talked on "Prestige in Quality Prospecting." Philip Dennison discussed "Need Selling and Use of Settlement Options." Portland Agency Organizer C. P. Shear spoke on "Increasing Average Size of Policy." "Getting Cash with the Application" was discussed by J. H. McCulloch, one of the company's first agents in the territory. Mr. Ellsworth followed with "Getting More Annual Premium Business." Dr. Austin discussed "Cooperation Between the Medical Department and the Field."

#### Many Subjects Taken Up

The final session with Mr. Stewart presiding, was opened by Mr. Poulter, whose subject was "Securing Business from Policyholders." A. K. Jensen spoke on "Cooperating to Conserve Your Business." "Characteristics of Our Leading Producers" was discussed by Marton Klatzker. "The Moral Hazard" was the subject of Vice-president Keesling. "Using the Tools Available" was the theme of Les Hart. W. A. Walker talked on "Doing What You Know Must Be Done." J. W. Stewart gave an inspirational address on "Work with the Will to Win." There was a farewell luncheon at which Vice-president Thomson complimented the agents on their sales records and wished them success in qualifying for the 1937 conference to be held at Catalina Island.

### Fidelity Mutual Leaders to Gather at Hot Springs, Va.

The Leaders Club of the Fidelity Mutual Life will hold its annual convention at Hot Springs, Va., Sept. 1-4. The meeting will be opened by Frank H. Sykes, vice-president and manager of agencies and greetings will be extended by President W. L. Talbot. Other speakers on the first day will be Arthur W. Campbell, Altoona, Pa., and J. E. FitzGerald, San Francisco.

On Wednesday morning J. H. Brennan of the Brennan agency, Chicago, will speak on prospecting and a sales demonstration will be given by F. L. Bettger and Karl Collins, both of Philadelphia. A round table discussion on underwriting and selection will be held in the afternoon and also a special short session for the wives of leaders at which Mrs. W. L. Talbot will preside and W. A. Conway, supervisor of agencies, will speak. A managers conference will be a feature of the last day's session. Paul Speicher, Insurance Research & Review, will also speak at the final session, at which various production awards will be made.

### Philadelphia Life Agents to Go on Convention Trip

PHILADELPHIA, Aug. 27.—Some 70 agents of the Philadelphia Life and their wives, qualified members of the

1936 "Plico" convention club, will leave on a special train Friday for a week's convention trip in the White Mountains. The group will sail from New York on the "Iroquois" at noon Friday, stopping at Bar Harbor for a sight-seeing trip to the top of Cadillac Mountain and dinner at the Hotel Malvern. Leaving Bar Harbor that night, the party will sail to Portland, Me., where buses will meet the boat for the 90 mile ride to Dixville Notch and the Balsams, N. H.

Convention headquarters will be the Balsams Hotel. There will be recreation until late Wednesday morning when special buses will take the agents through the White Mountains to Portland, stopping for lunch at Mount Washington Hotel, Bretton Woods. After dinner in Portland the party will board the "Iroquois" for the return cruise to New York, arriving Sept. 3.

### National Guardian Life Is Holding Agency Convention

The 26th annual convention of National Guardian Life of Madison, Wis., is being held this week at the Edgewater Beach Hotel, Chicago. The convention proper started Thursday but on Wednesday evening 18 members of "The Council," an inner organization in the agency force comprising leading personal producers and heads of main agencies, held their quarterly meeting. An innovation in conventions was established this year, there being no speeches with the exception of a brief talk Thursday evening at the annual dinner given by President George A. Boissard.

In lieu of educational or inspirational speeches during the usual day time sessions, conferences are being held with individuals of the agency forces and Vice-president Richard Boissard, Agency Superintendent Craneheld, Don Clapp and A. G. Schmedeman from the home office.

Ladies are being entertained at a bridge luncheon at the Edgewater Beach on Thursday and a luncheon at the Morraine Hotel, Highland Park, on Friday in addition to the annual dinner on Thursday.

The afternoons are free for the men to engage in any amusement they desire.

#### Phoenix Mutual Conference

The Phoenix Mutual Life will hold its 85th anniversary conference at Hot Springs, Va., Sept. 6-9. Qualifications for attendance are based on volume of business and general efficiency over a 14 months period. A large part of the program will be devoted to methods by which service to policyholders may be improved. On Tuesday, Sept. 8, delegates will gather at a banquet in honor of the issuing of the company's first policy 85 years ago.

The Chicago branch of the Phoenix Mutual, of which Robert A. Judd is manager, has qualified 14 men for the convention, the highest percentage in the history of the office. In addition, Gordon K. Harper, one of the agency's leading producers, will appear on the program.

#### Krueger Agency Conference

More than 100 agents and guests are expected to attend the annual educational conference of the S. D. Krueger agency of the Equitable Life of New York, St. Paul, to be held at Gull Lake Aug. 27-29.

Approximately 80 producers of the agency in St. Paul qualified for the conference. Among the guest speakers will be W. J. Graham, vice-president, and Dr. George B. Van Arsdall, senior field instructor of the Equitable; W. M. Rothaermel, superintendent of agencies, and John A. Patton, assistant manager group department, both from Chicago.

#### Security Mutual's Program

At the annual agents meeting of the Security Mutual Life at Gull Lake,

Nisswa, Minn., Aug. 26-28, some principal speakers will be from the home office in Lincoln, Neb. Among those on the program are President Byron Stephenson, on "The Present Outlook;" Vice-President M. A. Hyde, "Co-operation, Its Value and Importance." Harold Dillman, "Standardized Presentation." E. A. Frerichs will have charge of the section on agency development. Earl Walton also will attend. J. W. Maloney won the presidency of the \$150,000 club this year.

#### Hold Conference at Sioux City

Representatives of the Northwestern National Life in Fort Dodge, Rockwell City, Storm Lake, Spencer, Woodbine, Council Bluffs and Sioux City, attended a luncheon and conference at Sioux City, Ia. The principal speaker was W. F. Grantges, Minneapolis, agency director, and Manager Phil Orchard, Sioux City, presided.

### NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual Digest," published annually in May at \$5.00 and the "Little Gem" published annually in March at \$2.00

### Family Readjustment Policy

Pyramid Life Now Issuing Contract Fitted to Needs of People in Hard Times

The Pyramid Life has issued a new "family readjustment income" policy designed for package selling and to fit the pocketbook of the middle westerner in the days of drought and hard times. It was worked out by G. L. Grogan, director of agencies, and is written in minimum amounts of \$4,000, which, Mr. Grogan said, is more insurance than most people carry. Of this amount \$2,000 is endowment at age 85 and \$2,000 is 20-year term carrying conversion privilege up to age 45 to any life or endowment plan then being issued.

#### Benefits Which Are Given

Upon death of the insured, this contract pays the beneficiary \$900 cash immediately, \$120 a month the first year, \$90 a month the second year, and \$60 a month the third year.

Rates are low, \$65.66 per \$4,000 minimum unit at age 35 without disability premium waiver. The company will issue the 20-year term in the plan as a rider attached to other life and endowment plans carrying a premium paying

### THE RECORD SHOWS

### THIRTY YEARS

of

PERFORMANCE  
STABILITY • SECURITY

### THE LAFAYETTE LIFE INSURANCE CO.

F. L. ALEXANDER W. R. SMITH  
President Field Vice-President  
JACK NEIL, Superintendent of Agencies  
LAFAYETTE, INDIANA

## Desirable Territory in ILLINOIS and INDIANA

with a sound progressive organization

Write to

### RURAL BANKERS Life Insurance Co.

610 Sherland Building  
South Bend, Indiana

### RURAL BANKERS Life Insurance Co.

1106-130 N. Wells Street  
Chicago, Illinois

John V. Sees, President



period of 20 years or more, in amounts of \$2,000 to \$5,000. The rate on such term is \$11.4 per \$1,000 at age 35 without premium waiver. Rates per \$4,000 unit for the new policy, (Column A being for the family readjustment income form per \$4,000 unit, and Column B for the term insurance rider, per \$1,000, attached to regular life and endowment contracts) are:

Age	A	B	Age	A	B
20...	\$44.84	\$ 8.25	35...	\$61.50	\$10.61
21...	45.70	8.35	36...	63.48	10.95
22...	46.62	8.46	37...	65.66	11.34
23...	47.60	8.59	38...	67.58	11.56
24...	48.64	8.72	39...	69.60	11.80
25...	49.74	8.86	40...	71.72	12.04
26...	50.88	9.01	41...	73.98	12.30
27...	52.10	9.17	42...	76.40	12.58
28...	53.42	9.36	43...	79.00	12.89
29...	54.84	9.56	44...	81.78	13.23
30...	56.32	9.78	45...	84.72	13.58
31...	57.92	10.02	46...	87.86	13.96
32...	59.64	10.30	47...	91.20	14.36

### Manhattan Life Has New Automatic Loan Provision

Policyholders of the Manhattan Life have been given the privilege of having the automatic premium loan provision apply where the premium is not paid during the grace period. The usual procedure is for automatic application of the extended insurance where the policyholder does not select some other method. Manhattan Life states that the automatic premium loan in many ways is the more attractive plan for maintaining insurance in force than the extended term insurance provision. So long as there is sufficient value in the policy to pay a premium, Manhattan Life states, the policy is continued in full force, subject to the indebtedness of the premiums so advanced. Prior to each premium due date, while the policy is so continued, notice of the fact that a premium is due is mailed to the insured. Thus he is given an opportunity periodically to resume payment of premiums without the necessity of making application for reinstatement or submitting evidence of insurability. Under the automatic premium loan provision accidental death and disability benefits continue in force just as if the premiums were paid in cash by the insured.

The new rate book, effective Aug. 25, shows rate reductions and increased policy values. Examples for ordinary life and 20 year endowment are as follows:

		Ordinary Life		Cash Values	
Age		Old	New	Old	New
20	.....	\$17.82	\$16.15	\$174	\$192
30	.....	22.73	21.18	258	276
40	.....	31.08	30.47	367	383
		20-Year Endowment			
20	.....	47.34	46.62	410	459
30	.....	48.65	47.80	508	555
40	.....	51.61	51.21	626	666

### CHICAGO NEWS

#### CHICAGO AGENCIES TO PLAY

The three Chicago agencies of the Mutual Trust Life will hold an outing Sept. 3 at Cog Hill Country club, this winding up a production contest in August. The agencies are the home office agency of Manager Dave Dawson; the Roseland agency of C. H. Brandt & Co., of which Thomas Waller is life manager, and the Albert Swanson agency. It will be an all-day affair, with golf prizes and jollification.

\*\*\*

#### HAVILAND AGENCY CONFERENCE

The Haviland agency of the Connecticut General Life in Chicago held its annual outing and educational conference at the Crystal Lake Country Club, attended by about 60 qualified producers, department heads and home office representatives. Among the speakers at the business session were: George C. Capen, assistant superintendent of agencies at the home office; Thomas G. Murrell, manager New York City branch office; F. H. Haviland, agency manager;

Norman K. Allison, supervisor, and P. T. Aubin, who in 1935 was the leading producer in the agency and also led the entire field force of the Connecticut General. For the first seven months of 1936 the Haviland agency has increased its total volume over the same period in 1935 by 25 percent. This includes both life and accident and health insurance.

A full program of entertainment had been arranged, with the following winning prizes in the golf tournament: least putts, David Swank; low net, A. J. Kritchberg; blind bogey, Vernon Rosenthal and high gross, G. L. D. Smith.

\*\*\*

#### INSURANCE STOCK QUOTATIONS

H. W. McKinney of G. L. Ohrstrom & Co., Board of Trade Building, Chicago, gives the following quotations on the stock of life companies:

	Par	Div.	Bid	Asked
Aetna Life	10	.60	32	33
Bank. Nat. Life	10	1.00	21	25
Central Life, Ill.	10	...	9	...
Cent. States Life	5	...	3	...
Columbian Nat.	100	4.00	85	95
Conn. Gen. Life	10	.80	43	45
Cont. Assurance	10	2.00	37	39
Farm. & Traders	100	10.00	210	225
Fed. Life, Chgo.	10	...	8	...
Girard Life	10	.40	10 1/2	12 1/2
Great Nor. Life	10	...	4	...
Great South. Life	10	2.50	33	35
Life & Cas., Tenn.	...	2.00	18	...
Life of Va.	20	3.00	75	85
Lincoln Natl.	10	1.20	28	29
Natl. Life & Ac.	10	1.60	65	75
New World	10	.40	5 1/2	6 1/2
Northw. Natl.	5	...	14	16
North Amer.	2	...	3	3 1/2
Ohio National	10	1.00	22	25
Ohio State Life	100	10.00	225	...
Old Line Life	10	.60	16 1/2	17 1/2
Pacific Mutual	1	...	1 1/2	2 1/2
Philadelphia Life	10	...	3 1/2	4 1/2
Prov. Life, N. D.	10	.80	12	...
Rockford Life	10	...	4	...
Sun Life, Can.	100	...	465	485
Travelers	100	16.00	560	570
Union Central	20	1.20	35	45
Wisconsin Natl.	10	.50	16	18

\*\*\*

#### AGENCY IN OUTING AT WAWASEE

Vice-president F. L. Jones of the Equitable Life of New York; Gage E. Tarbell, senior director, and W. M. Rothaermel, superintendent of agencies, central department, Chicago, gave talks at the annual outing and business conference of the Samuel Lustgarten agency of that company in Chicago, held this week at Lake Wawasee, Ind. This was a three-day gathering.

\*\*\*

#### MANUAL OUT THIS WEEK

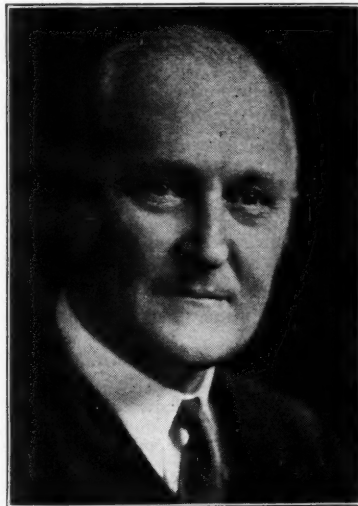
The manual of examination questions for agents' and brokers' licenses in Illinois has been in the hands of the printers for several days and is expected to be ready for distribution Thursday or Friday of this week. The Chicago branch of the state insurance department, located in A-2044 Insurance Exchange building, will have a large supply of the manuals for local distribu-

## WITH INDUSTRIAL OFFICES

### Research Bureau Proposal

#### J. F. Maine Revives His Plea for Joint Study to Improve Industrial Field Conditions

J. F. Maine, agency executive of the London Life of Canada, proposes at the annual meeting of the American Life



J. F. MAINE

Convention again to bring up the proposal of forming a research organization for the industrial companies with

tion. Copies will be free to all applicants for licenses and it is stated a small charge will be made for general distribution to cover the cost of printing. The manual will have between 700 and 800 questions and answers, covering all branches of the business.

\*\*\*

#### SLOAN BUILDING SUBSTANTIALLY

Herbert A. Sloan on Sept. 1 will complete his first year as agency manager of the Equitable Life of New York in Chicago, he having taken over the former Nolan agency there. His office has made fine progress, continuing the unusual record which he made as a unit manager at Chicago. New organization has been considerably strengthened. Mr. Sloan is placing emphasis on quality business.

a view to improving the personnel of the agency staff. He would have the research bureau investigate the matter of selecting and training agents, agency agreements, compensation, agents' responsibility in writing ordinary and establish a code of ethics to improve industrial field work.

Mr. Maine contends that the companies must prepare to place the selling of industrial on a scientific basis. Some of the present sales organizations, he said, seem determined to stick to the unscientific, haphazard ways of selling, leaving wrong impressions and ultimately dissatisfied policyholders.

#### Entitled to Proper Advice

The small industrial policies, he said, are appreciated by their owners just as much as the larger policies are by those in better circumstances. Industrial policyholders are just as much entitled to proper advice and counsel in the purchase of insurance and the disposition of proceeds as are the larger policyholders.

Mr. Maine expressed the belief that if the companies do not voluntarily develop the science of salesmanship and service, then state and provincial departments may bring pressure to bear.

The criticism should be directed more at the home office officials than at the industrial agent. More attention should be given to training and equipping the men before sending them in the field. Research is needed.

#### Need to Pool Information

The brains of industrial agents can be trained to enable them to sell wisely (not overloading) and honestly industrial insurance in quantities that will be profitable to themselves and fair to the company and policyholders.

Although the individual companies are doing their best to gather information from their own records, organize it and put it to work, much greater progress could be made if industrial companies will pool information. The research bureau should collect information, put it through a laboratory test and distribute it to those companies that are eager to develop an agency organization competent to take care of future requirements.

#### Honor Suwannee Life Winners

More than 60 representatives of the Suwannee Life, representing the Tampa, St. Petersburg, Orlando and Lakeland districts, attended a banquet honoring

## "From the Cradle to Retirement"

### No. 8

**THE NEED:** Life Insurance now; personal retirement then.

**THE CONTRACT:** Retirement Income Endowment.

Written by Atlantic Life to provide a monthly income for life, commencing at age 55, 60 or 65 as selected—or cash at maturity if desired. During the years to maturity this contract gives full insurance protection to dependents, thus giving an excellent combination of investment and protection.

## Atlantic Life Insurance Co.

RICHMOND, VIRGINIA

Angus O. Swink  
President

Wm. H. Harrison  
Vice Pres. & Supt. of Agencies

agents and officials of the Tampa district, winners of a recent sales contest.

### Honor 20 Years' Service

Employees of the Marion, Ind., district office of the Metropolitan honored the local manager, J. R. Claxon, at a luncheon meeting upon his completion of 20 years' service.

### Industrial Notes

J. W. Starret, former district superintendent of the Prudential at Sedalia, Mo., died while playing golf on a Sedalia course.

W. H. Fetter, superintendent Detroit East, has been promoted to manager at Springfield, Ill., by Western & Southern Life.

### Friendly Spirit Is Shown at Gathering in Quebec

(CONTINUED FROM PAGE 1)

quality of business than toward new business at almost any cost. He said that serious study is being made to discover a new system of compensation, which, while inducing agents to write new business, will induce them to write better quality business. Such a system would provide compensation on the combined basis of production and persistency. He declared that the agreement between companies as to better selecting of agents, "twisting" of policies, rebating of premiums, false or erroneous statements have done much good in eliminating many of the evils.

The standing committee on life insurance legislation reported that all amendments to the uniform life insurance act recommended by the association have been enacted by all provinces except Quebec and became effective July 2. The amendments are now on trial and the committee anticipates that further amendments will not be necessary for another period of 10 years. The entire legislative program occupied the attention of the committee for five years.

## NEWS OF LIFE ASSOCIATIONS

### Fall Program Is Announced

Chicago Association Plans Many Activities; General Agents, Managers in Outing

Herbert A. Hedges, general agent at Kansas City for the Equitable Life of Iowa, will speak Sept. 17 at a luncheon of the Chicago association on "Piddlers, Peddlers and Salesmen." Grant Taggart, well known Northwestern Mutual "millionaire" of Cowley, Wyo., will address a luncheon meeting in Chicago, Oct. 7, and George Schumacher, Massachusetts Mutual, Cleveland, will speak at a luncheon Nov. 10 on "Monthly Income." Other details in the fall program of the Chicago association are being worked out by Executive Secretary Joy M. Luidens.

The women's division will meet Oct. 16. The series of sales clinics conducted earlier this year will be resumed, with various agencies sponsoring the programs and putting them on with their own staff.

### Agency Heads in Outing

The annual field day of the general agents and managers division was held at Edgewood Valley Country Club, La Grange, Ill. F. J. Wood, Lincoln National, and R. J. Wiese, State Mutual, shot 89 and 90, respectively, being the low gross players. Low nets were D. J. Cranston, Fidelity Mutual, and P. B. Hobbs and F. M. Wood, tied for second place.

Chairman C. B. Stumes, Penn Mutual, called for reports from committee chairmen. The after dinner discussions disclosed that Mr. Stumes was the oldest general agent in years of service present, and W. M. Houze, John Hancock, second, by a month.

A. E. Patterson, Penn Mutual, vice-

president National Association of Life Underwriters in charge of membership, spoke of progress in his department. James Brennan, Fidelity Mutual, spoke on the value of exchange of ideas gained through association activities.

\*\*\*

### Cleveland Unit Gets High Life Insurance Week Award

The Cleveland Association of Life Underwriters was selected from the associations competing for the cash prizes offered by the life insurance week committee of the Association of Life Agency Officers for the most effective and constructive demonstration staged by local associations during the 1934 life insurance week.

The committee composed of C. V. Pickering, chairman, Aetna Life; Karl Ljung, Jefferson Standard; D. Bobb Slattery, Penn Mutual; Stephen A. Swisher, Jr., Equitable Life of Iowa; Cyrus T. Steven, Phoenix Mutual; Earl R. Trangmar, Metropolitan, and Nelson A. White, Provident, spent a full day in New York going over the reports and classifying the activities entered into by the local groups.

The first award of \$50 went to the Cleveland association of which Eugene B. Fisher is president and Ross M. Norris, life insurance week chairman.

Second award, \$25, Indianapolis, James L. Rainey, president; Howard E. Nyhart, insurance week chairman.

Third award, \$15, San Francisco, James M. Hamill, president; Arthur K. Deutsch, insurance week chairman.

Fourth award, \$10, Oklahoma City, Robert T. Shipley, president; Ferrel M. Bean, insurance week chairman.

The 10 local associations whose demonstrations merited honorable mention are: Atlanta, Baltimore, Chicago, Greenville, Hartford, Peoria, Richmond, Va., St. Petersburg, Springfield, O., and Wheeling.

Those 16 associations whose reports indicated that a well constructed campaign meriting individual mention was entered into were: Binghamton, Boston, Columbia, Fresno, Greensboro, Honolulu, Jacksonville, Kansas City, Los Angeles, Memphis, New York, Omaha, Pittsburgh, Portland, Ore., San Diego, Stockton and Toledo.

\*\*\*

### San Francisco Association to Take Vigorous Action

SAN FRANCISCO, Aug. 27.—Urgent need for realization of the benefits of the National Association of Life Underwriters' program for elimination of part-timers and marginal producers is pointed out by W. R. Spinney, chairman research committee, San Francisco association, in a report to directors. He says a survey discloses 2,000 agents were licensed in this city, while only about 700 office at, or received mail at, a San Francisco agency office address. The lack of selection on a qualification basis was emphasized by the fact that nearly 10 percent of those licensed could not be located by mail carriers. A canvass of views showed strong sentiment for the organization to take vigorous action in the national campaign.

### Logical Number of Agents

"It is perhaps a fair estimate that the life insurance to be properly sold in this city could be adequately written by about 500 full-time, qualified life underwriters," the report stated; "that appointments much in excess of that number tend to impose upon the public a nuisance quality of solicitation, to increase the acquisition costs, through the creation of an abnormal buyer resistance, as the result of this nuisance; to lower the earning possibilities of the

average underwriter in the business below an income attractive to high grade men, and to stimulate those unethical practices common to the business, through the creation of an unhealthy scramble for available business, in volume inadequate to afford a decent living to so large a body of agents."

The report recommended strong support of agencies of signatory companies in remedying conditions, encouragement of efforts of agencies of non-signatory companies to comply with the spirit of the agreement, and urged that there be compiled periodically from the department records a list of licensed agents by companies. It was recommended that steps be taken to discourage the taking advantage of agencies of signatory companies through employment of part-time and marginal producers cancelled out by signatory companies. T. A. Gallagher, Prudential, is president.

Three meetings will be held Sept. 3, with Dr. David McCahan, dean American College of Life Underwriters, as speaker. He will discuss "How to Acquire the Designation C. L. U. and What It Will Mean to You" in the morning; there will be a luncheon meeting under auspices of the general agents and managers' section, when he will speak on "The Outstanding Problem in Agency Management in the U. S. Today," and at 2 p. m. the C. L. U. section will meet with him to discuss "What Can Your Local Chapter Do to Further the Interests of Its Members?"

\*\*\*

### Leaders Discuss Plans for California State Meeting

Plans for the annual meeting of the California State Life Underwriters Association at Del Monte Sept. 14 were discussed at a meeting in San Francisco between Kellogg Van Winkle of the Equitable of New York, at Los Angeles, president of the state association; J. M. Hamill, Equitable of New York at San Francisco, secretary-treasurer of the state body, and officials of the San Francisco association.

President Van Winkle reported 22 percent increase in membership during the year, compared with 10 percent gain shown by the National association. Among those attending the meeting were: P. G. Young, Metropolitan, National association trustee; K. L. Brackett, John Hancock, National executive committeeman, San Francisco association; V. T. Motschenbacher, Sun Life, vice-president of the local association and chairman of the general agents and managers' section; A. E. Flamer, Aetna, secretary-treasurer; C. W. Peterson, Phoenix Mutual, and A. S. Holman, Travelers, past presidents, and D. S. Bates, New York Life.

\*\*\*

### Forum Features Prospecting

The luncheon-meeting of the Life Insurance Forum of the Life Underwriters' Association of Los Angeles featured a new type of program, presented under the caption of "A Panel on Prospecting." The forum talks included discussion of practical and successful prospecting methods which were effective in developing over \$1,000,000 in volume of new insurance in 1935, with total paid premiums of over \$50,000.

\*\*\*

### Wants Unit in Calumet Region

J. C. Kramer of the Conservative Life of Indiana at East Chicago, Ind., is undertaking to organize a life underwriters association that would embrace agents in the cities of East Chicago, Hammond, Whiting and Indiana Harbor.

\*\*\*

**Northern New Jersey**—The opening meeting of the season will be held in Newark Sept. 14. Elaborate plans are being made for an active season. A one-day sales congress will be held in Newark in the spring. The opening fall meeting is usually held in October but this year it will be one month earlier.

## Strong Progressive

Are You Willing to WORK for a Company Which Is Willing to WORK with You?

## NORTH AMERICAN LIFE INSURANCE COMPANY OF CHICAGO.

E. S. ASHBROOK  
President

JOHN H. McNAMARA  
Founder

PAUL McNAMARA  
Vice-President

NORTH AMERICAN BUILDING, CHICAGO, ILLINOIS

## Are You Interested in Territory in—

- |                                   |                                   |  |
|-----------------------------------|-----------------------------------|--|
| <input type="checkbox"/> ILLINOIS | <input type="checkbox"/> KANSAS   | <input type="checkbox"/> SOUTHERN IOWA |
| <input type="checkbox"/> INDIANA  | <input type="checkbox"/> MICHIGAN | <input type="checkbox"/> MINNESOTA     |

Name .....

Address .....

City and State .....

Check the territory, fill in the coupon, and return to

**ROCKFORD LIFE INSURANCE CO.**  
Rockford, Illinois



## LEGAL RESERVE FRATERNALS

### Sustains Stand of New York

**Actuary Eldridge Finds New Uniform Provisions Are Largely Helpful to Societies**

The New York department is right in requiring that all insurance provisions affecting contractual rights of society members be put in the certificate, W. T. Eldridge, consulting actuary, stated in a discussion of the New York fraternal regulations at the New York annual meeting of the National Fraternal Congress. The view is one being considered by most departments, he said. Fraternal insurance has come to the point where this should be done. Much fraternal insurance has been lapsed because members realized or were told that their certificates did not make up the whole contract, but any by-laws subsequently adopted might affect it.

Fraternal insurance, by and large, is on an adequate rate, adequate reserve basis, and the insurance departments believe societies now can contract definitely to pay the faces of certificates just as do the so-called commercial life companies. The departments likewise feel societies on adequate basis should not have so much latitude in changing rates as in the past.

#### Clear Distinction Made

The New York department, Mr. Eldridge said, clearly makes a distinction between the right to change the rate (which under modern fraternal contracts can never properly be done) and the right to save the society from liquidation in an emergency by collecting an additional contribution or assessment to make good a reserve impairment.

Mr. Eldridge, who is chairman of the

N. F. C. committee on blanks and conference, said the majority of the committee felt the New York rules involved no hardships, but gave many advantages to societies. Certain original provisions were eliminated upon the committee's request, such as requirement of a copy of application in certificate.

He said the suicide clause was an illustration of the need for standard provisions. "Some societies never had any restrictions relative to suicide; others have believed that death by suicide should never be paid," Mr. Eldridge said. "Others have followed more closely the practice of commercial companies in exempting suicide for two years."

#### Few Objections Received

"The New York department has received very few protests relative to these rules. Only four rules had been questioned and in most cases the objection had been from only one or two societies."

"Undoubtedly the New York department believes that fraternal societies can issue a contract containing all essential points without the necessity of making the member hunt through the constitution and by-laws for rules and regulations which are properly a part of the certificate or policy . . . but it does not desire to say that a fraternal society can not alter its by-laws and affect the member so far as the fraternal side of his membership is concerned. In short, do not ask a member to go to a set of by-laws to find out what act on his part may invalidate his family's protection."

"Certain societies had a provision that if a member failed to elect between one of his equities within 30 days following his last premium payment he forfeited his reserve. This appeared in the by-laws. There were other points quite contrary to general insurance practices which were noted after a study of the by-laws and certificate forms of all societies doing business in New York had been made. The New York department wanted to be certain that all fraternal policyholders in New York hereafter held certificates which contained the entire contractual agreement and followed well established insurance rules. It seems to me we should welcome the opportunity to place before our public a policy containing the generally accepted conditions of good life insurance."

### W. O. W. of Omaha Grants Automatic Loan Privilege

Additional benefits for certain older certificate holders are authorized in an amendment to the constitution and by-laws of the Woodmen of the World, Omaha, approved by directors and members. The amendment provides:

Members with certificates not providing for automatic monthly installment loan or cash surrender or loan values, except term certificates, and for which no values are provided in the constitution and by-laws, who became members prior to Dec. 31, 1919, and are not delinquent in premium payment; and also members with certificates issued since July 1, 1917, on the N. F. C. 4 percent table, and all members with certificates on the W. O. W. 4 percent mortality table (combined benefit, universal whole life or equalized forms of certificates) who have paid monthly installments including that for August, 1936, but shall subsequently fail to pay, shall receive an automatic monthly installment loan.

All members who exchanged certificates on some special rating proposal or holding certificates not providing for such automatic loan will be entitled to it.

Interest rate will be 5 percent compounded annually. Certificates will be

# ROYAL NEIGHBORS OF AMERICA

● One of the largest fraternal benefit societies.

Membership  
598,014.

● Operates home for aged dependent members.

Admitted Assets  
\$56,686,146.

● Maintains fraternal fund to assist needy members.

Total claims paid  
\$87,937,415.

● Writes modern forms of life insurance for women, men and children.

Insurance in force  
\$467,330,469.

● Provides free health service.

SUPREME OFFICE  
ROCK ISLAND, ILL.

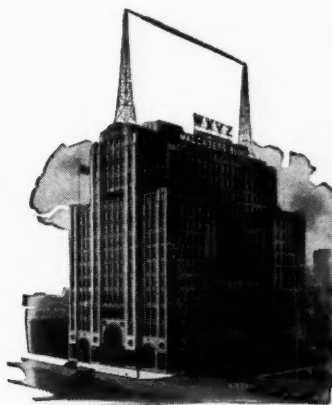
## FORTY-ONE YEARS OF SERVICE

Royal Neighbors of America was chartered as a fraternal benefit society in the state of Illinois on March 21, 1895. Since that time the society has faithfully provided a dual service of insurance and true fraternalism for members numbering in the hundreds of thousands.

The history of Royal Neighbors of America reveals that its fundamental principle of twofold service has been an outstanding success. This success is reflected in the steady growth of the society and in statistics which place Royal Neighbors of America among the leaders in its field.

## THE MACCABEES

58 Years Old with 203,744 Adult and Junior Benefit Members



Home Office Building

Life, Health, Accident and Retirement Income Protection. Health, Hospital and Relief Service. Two Old Age Homes.

Celebrating this year the 50th Year—Golden Anniversary—of the founding of the Ladies of the Maccabees, the first fraternal benefit society organized exclusively for women.

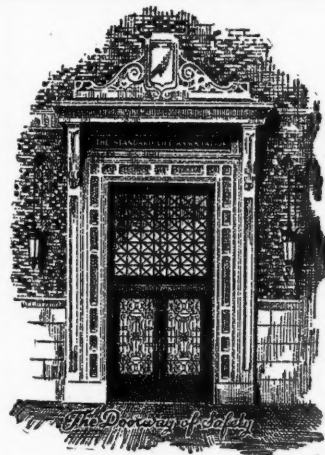
### NEW MEMBERS IN 1935

Adult—20,746—A gain of 30% over 1934  
Junior—30,172—A gain of 31% over 1934

C. L. BIGGS  
Supreme Record Keeper

E. W. THOMPSON  
Supreme Commander

DETROIT, MICHIGAN



Stability — Safety  
Performance

ASSETS  
\$13,750,000.00

CLAIMS PAID  
\$114,000,000.00

## The Standard Life Association

Lawrence, Kansas

GEO. R. ALLEN President JOHN V. SEES Secretary  
T. J. SWEENEY Treasurer

voided when the loans exhaust their values and are not repaid. The loan will be automatic unless the member stipulates another method in writing.

Any members with certificates issued prior to Dec. 31, 1919, who after that date continued it through lien charges, paying all monthly installments except August, 1936, shall receive the automatic loan under specified circumstances for not more than 12 monthly installments, interest rate being 5 percent.

### Demands Fraternals Give Account of Political Cost

Demand has been made upon the Fraternal Protection Association of Missouri by Insurance Superintendent O'Malley of that state to file an itemized statement of receipts and disbursements in connection with its political activities prior to and since the state primary election on Aug. 4. Mr. O'Malley contends that the state department is entitled to this information inasmuch as "the expenditure of insurance funds is involved."

The association was formed as a political agency by the fraternalists who have been waging war with Mr. O'Malley ever since he introduced his insurance code bill that would have imposed many new regulations upon fraternalists. In the primary campaign the fraternalists opposed the nomination of L. C. Stark on the Democratic ticket for governor since Stark refused to pledge that if elected he would not reappoint Mr. O'Malley as insurance superintendent. Stark was nominated by the Democrats.

C. F. Westcoat of St. Louis, president Fraternal Protective Association, has indicated that he will comply with the demand of Mr. O'Malley.

Mr. O'Malley sent to the secretary of the National Fraternal Congress a copy of a circular letter he sent to the commissioners in other states calling their attention to the fact that Stark had been victorious in the Democratic primaries despite the efforts of the fraternalists to defeat him. Mr. O'Malley requested that his communication be read at the annual meeting of the National Fraternal Congress in New York this week.

Jesse W. Barrett, Republican candidate for governor of Missouri, in an address at a picnic of various fraternalists in St. Louis declared he will insist upon Stark publicly stating whether he will reappoint Mr. O'Malley. Barrett renewed his attack on the administration of Mr. O'Malley, charging that it "has shocked the public conscience." He contended that Mr. O'Malley's attitude toward the fraternalists has been "despotic and unreasonable."

"I have no personal quarrel with O'Malley," Barrett said, "but his official record is properly an issue in this campaign, and I intend to continue making it clear to the people what Pendergastism in that department means. In fact, there are some new disclosures which I intend to bring to light in due time unless O'Malley quits under fire before I can do so. His compromise of the fire insurance rate cases, followed by the allowance of millions of dollars in lawyers' fees, has stirred public indignation."

### New Office in Oakland

New and larger quarters in the Easton building are being opened by the Oakland office of the Reliance Life which is under the management of Harold R. Breckenridge. The northern California branch of Reliance Life will show an increase of 60 percent for August both in paid and written business, compared with the same months of last year, according to Manager N. G. Nelson.

President S. M. Cross of the Columbia Life, Cincinnati, and Mrs. Cross sailed from New York for England, which they will tour by automobile in leisurely fashion for six weeks.

### Argues Presumption Against Suicide Is Not Evidence

#### A. M. LUMPKIN VIEWS PROBLEM

It Is Rule of Law for Guidance of Court, South Carolina Attorney Contends

A. M. Lumpkin of Thomas, Lumpkin & Cain, Columbia, S. C., presented a paper before the insurance section of the American Bar Association in Boston on "The Presumption Against Suicide Is Not Evidence But a Rule of Law for the Guidance of the Court." He expressed the opinion that decisions in late months fully support the title of his paper.

Courts and lawyers alike, he declared, have over-estimated the real purpose and value of this presumption in the trial of suicide cases. From the origin of this or any other legal presumption it was never intended that such should be considered as evidence and the trend of late judicial utterance is clearly to this effect.

#### Not a Substantive Fact

In most of the courts this so-called presumption against self destruction has been considered by the courts as almost a substantive fact submitted in evidence by a plaintiff. Cases which should have resulted in a direction in favor of a defendant have been allowed to go to the jury solely on the basis of presumption that man will not take his own life and that this presumption stands throughout the case, and only a jury can say whether the presumption has been rebutted.

Although a plaintiff at the outset of a case has the benefit of the presumption that a man will not destroy himself and that suicide is repugnant to the inherent nature of man, such presumption should and does under modern opinion stay entirely out of the case upon the introduction of testimony by the defendant which excludes the reasonable hypothesis of death other than suicide. The presumption of law against suicide is therefore not only rebuttable but should not be allowed to stand or have part in the case when any evidence is submitted establishing a contrary state of facts.

#### When Presumption Stands

If a plaintiff proves a violent death and the defendant presents no evidence, then the presumption stands in favor of the plaintiff, and the court should direct a verdict for the full amount prayed for. But, when the slightest evidence is introduced by the defendant which precludes the court from directing a verdict in favor of the plaintiff, then the presumption not only fades from the case, but the court should refrain completely from any reference to such in the charge to the jury.

The only function of the presumption under the modern trend of opinion is to act as a procedural rule of law to be

## RECORDS

**Bankers National Life** reports continued increase in the ordinary department for July, with an increase of 134 percent in new paid-for business.

**New England Mutual**—New paid for business the first seven months was \$83,000,000. Insurance in force as of Aug. 1 was \$1,362,912,286, an increase of \$33,514,846 since Jan. 1. In the 12 months ended Aug. 1, insurance in force gained \$53,677,144.

**Phoenix Mutual Life**—Increase in issued business in July 57 percent.

**Erlak Gebben**, Pacific Mutual Life, Lake Charles, La.—Production for first seven months in excess of 1,000,000, or an approximate increase of 40 percent over last year for the same period.

**F. M. Wilson**, Equitable Life of New York, Lansing, Mich.—More than \$500,000 of new business has been placed on the books in less than three months. The business is the largest for the summer period in several years.

**C. W. Peterson**, Phoenix Mutual, San Francisco—Substantial gains reported for the 12th consecutive month California manager reports. Increase 23 percent in both issued and paid business.

**W. T. Shepard**, Lincoln National Life, Los Angeles—Won third place standing in July for volume of paid-for new business, lacking only \$4,000 of qualifying for second place.

### Virginia Congress Program

Program is announced for the sales congress of the Virginia Association of Life Underwriters in Roanoke, Sept. 28. Speakers include R. B. Hull, managing director National association; T. M. Simmons, manager United States agencies, Pan-American Life; O. Sam Cummings, Texas manager Kansas City Life; G. F. Ream, Mutual Benefit, Newark, and E. Les Trinkle, president Shenandoah Life.

### Would Dismiss Injunctions

DES MOINES, Aug. 27.—Petitions were filed in federal court here by L. T. Ryan, assistant attorney general, asking dismissal of injunctions obtained by two fraternalists against the Iowa department to restrain the state from collecting a 2½ percent premium tax. Plaintiffs are the Woodmen of the World and Modern Woodmen.

Hearing on the original petitions asking permanent injunctions is scheduled for Sept. 1, probably before a three-judge tribunal.

**W. R. Konow**, assistant secretary of the Prudential in charge of the central group department, died at his home in Newark of heart disease. He was 68 years of age and had been with the Prudential 46 years. A son, W. G. C. Konow, is connected with the Prudential's home office.

employed by the court as a guard to its action in dismissing the complaint, submitting the case to the jury, or directing or setting aside a verdict.

## Semi-Annual Statements

(From June 30, 1936, reports to the Georgia Insurance Department)

Company	Capital	Assets	Surplus	Income	Disburse.
Aetna Life	\$15,000,000	\$523,236,790	\$ 16,761,076	\$ 68,823,748	\$ 53,807,712
Gulf Life, Fla.	350,000	3,241,629	66,923	1,339,552	1,047,465
Guardian Life, N. Y.	200,000	112,309,820	66,923	12,105,351	8,762,321
Jefferson Standard	1,000,000	64,484,729	2,050,000	7,344,248	5,178,084
Kansas City Life	1,000,000	84,093,889	7,083,743	8,243,691	5,788,627
Monumental Life	2,000,000	24,798,678	2,168,835	3,450,746	2,677,526
Mutual Benefit	601,210,945	26,923,273	26,923,273	56,133,732	41,120,830
Mutual Life, N. Y.	1,273,074,297	1,072,064,612	1,072,064,612	118,963,987	84,751,292
United Benefit, Neb.	300,000	5,368,539	254,599	1,320,303	1,179,453
Natl. Life & Acci.	3,000,000	45,056,532	3,418,948	10,806,869	8,705,191
Northwestern Mut.	1,101,642,342	881,100,000	881,100,000	101,861,832	72,403,917
North Carolina Mut.	800,000	4,359,737	201,231	1,108,328	999,929
Prov. Life & Acci.	7,746,174	800,000	800,000	3,391,513	2,964,195
Prudential	2,000,000	3,242,952,414	2,863,195,099	382,556,657	274,637,528
Provident Mutual	311,360,521	251,054,662	251,054,662	27,700,949	18,238,036
Reliance, Pa.	1,000,000	96,150,993	78,642,661	11,046,927	6,896,902
Southern Life, Ga.	136,370	180,418	36,007	14,279	35,070
Travelers	20,000,000	824,679,167	21,101,666	112,967,159	78,850,457
United Mut., Ind.	25,950,449	25,950,449	1,094,904	2,038,555	2,068,436

\*Not given.  
\*Net premium reserve.  
†Reserves, \$23,986,709.

## Brandon's Spirit Is Marching On

(CONTINUED FROM PAGE 4)

diction as to whether rates will remain as they are now, will go down still further or show an advance. Some officials, he said, feel that the interest basis in the mortality table should be decreased. Many companies are now on a 3 percent basis and even that may be too high. Mr. Ball said it may be possible that companies will have to go to a 2 or 2½ percent basis.

#### Creditor Class in the Majority

He called attention to the fact that the creditor class in this country greatly outnumbers the debtor group. The creditor class suffers when there is any change in the financial system that puts any of the orderly machinery out of line. Life insurance policyholders belong to the creditor class, and when the interest rates go down as now, it means that they will receive smaller dividends and pay higher rates.

So far as the Columbus Mutual is concerned, he said that the average yield on its assets is 1½ percent less than in 1929. Many bond issues are being called and new ones being substituted at lower rates. Preferred stocks are being retired. The investors are sustaining a real loss. The farm mortgage business is practically taken over by the federal government.

#### Status of City Mortgages

Regardless of the HOLC and other agencies, President Ball said there is still opportunity to get some fairly good mortgages here and there in cities. It is the new money to be invested that has felt the impact. Money that has been invested for some time still brings the average yield up. Mr. Ball deplores the growing public expense, feeling that eventually if these great expenditures continue, the whole structure will be thrown out of joint. Insurance companies being large holders of government securities are interested of course in seeing that their value does not decrease. He sees positive danger if continuous, excessive expenditures are maintained. He believes that there must be retrenchment. He acknowledged that this would be a difficult program because it is just as hard for a concern or a government to start a program of constructive economy as it is for an individual.

#### People Pay the Freight

All these expenditures are falling on the people and they must pay the bill from their earnings. He said that only 18 percent of the federal direct tax revenue comes from the so-called wealthy people. The big bulk comes from those of lesser income. In addition to the direct federal income tax there is much indirect tax. President Ball feels that the "soak the rich" sentiment is dangerous.

President Ball gave it as his opinion that old age pension law and probably the entire social security program will have to be modified. He acknowledged that some form of legislation of this nature is necessary but it should be scientific and sound. He fears that there is danger of the government going beyond the old age pension activity and engage in life insurance itself.

#### Rehabilitation of Property

The Columbus Mutual in days gone by majored in real estate mortgages as an investment. It therefore has had to take over a number of properties. It finds that it is necessary to rehabilitate much of this property. Last year it spent \$218,000 on real estate improvements. During the last three years the company has found a 11.6 percent profit on real estate that it has sold. It now has 35 percent of its assets in mortgages and 28 percent in bonds. At the end of the seven months the Columbus Mutual had in force \$125,836,000. That was a gain of \$2,600,000, being more



than the gain in all of 1935. July showed a 27 percent increase.

The Columbus Mutual makes the honorary president of the agency convention the man who shows the greatest production during the year. T. S. Berridge of Gallipolis, O., who was chairman last year, occupied the same role this year. In fact, he has been the honorary chairman a number of times, equaling the famous record of George J. Abdalla of Lancaster, O., in that respect.

A. L. Gray of Chicago presided over the first session, Mr. Abdalla the second, Ivan T. Quick of Cleveland, the third, and T. R. Hoover of Detroit, the fourth.

There were four guest speakers. Harold Moore of Pittsburgh, general agent of the State Mutual, appeared at the first session. D. Bobb Slattery, assistant to the vice-president of the Penn Mutual Life and president of the Life Advertisers Association, gave a talk at the second session as did A. R. Jaqua of Cincinnati, associate editor of the "Diamond Life Bulletins." Rene Banks of Cleveland, general agent Penn Mutual Life, spoke at the last session.

#### Year Old Officials

There were two officials on the program who started with the company a year ago and made their first appearance at the convention in Detroit, one being James A. Preston, sales manager, and the other, T. H. Tangeman, vice-president and counsel, who had just retired as state director of commerce.

Mr. Preston called attention to the contest that had been conducted since July 1, stating that 100 men of the organization produced 64½ percent of all the business since that day. He injected life into the proceedings now and then.

#### Dr. W. A. Jaquith's Talk

Dr. W. A. Jaquith, medical director, in his talk said that the approvals had increased 2 percent over last year and the rated cases were 1 percent less. He finds that the average policy has increased \$150. Of the mortality, Dr. Jaquith said, 12 percent came from accidental or external causes and of all the accidents 55 percent were due to automobiles. He stated that a high standard agent will always produce high standard business. People that are easy to sell probably do a good deal of self selection and that is against the company. Dr. Jaquith said that there should be more searching methods on part of agents in getting their prospects. He urged agents to seek out prospects who seemingly have the average ability to live. The medical department, he said, studies the variations from the standard groups and finds the mortality experience in each group.

#### Denied Old Statement

Dr. Jaquith strenuously denied the oft repeated statement that a life company could safely insure people as they come and go on the street, because there would be a general average. This, he said, would be a very dangerous course. Those that know that they have impairments will be very likely to seek insurance. An applicant who has some insidious disease that he finds is starting will gloss over information regarding his impairment. A medical examination, he said, is purely a fact finding process. In any large number of people there are a number impaired. He called attention to a recent survey of a large group and said that 31 percent of these were impaired. Dr. Jaquith said it is very difficult these days to get true information as to a man's drinking habits. Most men, he said, will not tell the truth and their friends are loathe to come forward with the information.

L. L. Weaver of Columbus in a talk stressed the arguments for retirement income and declared that any one receiving an income that could provide something more than the necessities of life could lay a certain sum aside to provide for old age. It is up to the person to decide what he can do. He said

that he always plans to sell for specific needs. Life insurance, Mr. Weaver said, always goes to the living and never to the dead.

Dale F. Orr of Lancaster, O., who was appointed a few years ago by Mr. Abdalla of his city, as an agent, said that in the early weeks of a new agent's career he may get discouraged unless he can sell a case. Lack of sales he says has a very disintegrating effect. He has endeavored to study himself and his methods in order to increase the number of sales out of so many calls. He has studied approved plans and got his sales down to one out of every 11 interviews. Since April 1 he has cut these down to one out of every seven.

David Fischer of Cleveland stated that the agent's asset is time and he should use that to his best advantage. He thinks that it is desirable to do more constructive thinking about every prospect approached.

#### Vice-President Tangeman's Address

Vice-president Tangeman said that in this disturbed and distressed era many people have lost faith in the fundamentals. There is much distress. He called attention to the fact that it is important to have team work. A leader in any cause should have vision and his associates should cooperate. Team work between the home office and the field, he said, is very essential. He believes that sound life insurance is destined to grow. He feels that it has a greater and grander future.

In speaking of illegal claims he said it is the duty of the home office to reject these. In closing his address, Mr. Tangeman said that life insurance is on threshold of a grander and greater day.

#### Mitcheltree Was Toastmaster

At the banquet Carl Mitcheltree was toastmaster and in that role he is always good. He called on a few men for remarks, they being "Dusty" Rhodes, deputy Ohio insurance superintendent; W. A. Robinson, actuary Ohio department; T. S. Derridge of Gallipolis, O., the top producer of the company; C. M. Cartwright, THE NATIONAL UNDERWRITER; Barrett Woodsmall, vice-president American Service Bureau, who also spoke for the American Life Convention. The speaker of the evening was Maj. Norman A. Imrie, associate editor of the Columbus "Evening Dispatch," who combined much wit and many sallies with much economic philosophy.

#### A. R. Jaqua's Address

A. R. Jaqua of the Diamond Life Bulletins was received so enthusiastically that a portion of the regular program was omitted; the extra time was given to him for the discussion of individual programs.

During the depression, he said, sales of life insurance followed a descending curve but to offset that sales of annuities followed an ascending curve which cut across the descending line.

Mr. Jaqua drew a circle with lines projecting outwardly from the circumference to illustrate "Prospect Leads" to be obtained. Then he drew another circle with lines pointing inwardly from the circumference to represent situations to be uncovered. In the one case an outward line represented a "Lead"; in the other an inward line represented a situation.

#### Advantages of Programming

He spoke with earnestness of the advantages of programming. "A program," he said, "is nothing but a collection of packages." Keep walking around and around the circle until you find a situation which can be uncovered and then covered with insurance or an annuity, Mr. Jaqua advised. Ask the prospect how the problem is to be solved unless the agent's service is applied for.

A matured endowment is the world's premier investment, Mr. Jaqua declared, because it is safe, because in insurance interest is guaranteed, means

of transfer and trusteeship are provided.

Answering objections of a prospect that he wants to put money into his business, instead of taking insurance, Mr. Jaqua pointed out that the object of a business is "to have something to take money out of."

If prospects were wise, he said, they would put 20 to 25 percent of their money where it "can't be taxed out of existence." They should be asked, "When are you going to do it?"

An agent, talking with a husband and wife, Mr. Jaqua said, may put over a forceful interview by assuming that the husband were no longer living, and asking the wife just how she would use the property and money she received. Her replies would be hesitating and confusing; the husband would break into the conversation now and then to make suggestions, but would be sharply reminded that he was assumed to be out of the picture, the wife being in a position where she had to decide for herself. Since most prospects are inadequately insured, the wife could be led to admit that within a few years after her husband's passing she would be virtually penniless. Surely she and he now can contrive to save enough to guarantee her, say, \$50 monthly income for life!

A question Mr. Jaqua suggested be put to prospects: "Is \$1 worth more to you now than \$3 at 65?"

Retirement incomes of \$100 monthly may be too much to suggest to most prospects, Mr. Jaqua said; incomes of \$25 or \$15 monthly may be more practical suggestions to make today; later the prospect may increase the savings he starts today.

#### Penn Mutual Men on Program

D. Bobb Slattery advised liberal use of direct mail advertising. Rene Banks, general agent of the Penn Mutual at Cleveland, said that although at first he did not relish being in the insurance business he found that after two years he began to like it, thereafter his success measurably improved.

Russell Bradle of the American Life, Detroit, said that taxation of inheritances and estates have been multiplied from four to seven times during the last five years and predicted further increases. He referred to cases where insurance in amount of \$1,000,000 or more was placed to cover taxes. Big earners and rich men had no idea, he said, of the terrific tax burdens their estates would have to bear, nor did they have any way of telling what their real estate and securities would be worth at time of death.

#### Agents Are Commended

Sales Manager Preston brought several groups of active agents to the platform and commended them, including those especially successful in their first year renewal records. Of the agency force, 67 he said, had first year renewal records of 80 percent or better.

John C. Dexter and E. C. Danford of Columbus, Ivan T. Quick of Cleveland, Morris Levinkind of Chicago, David R. Hoover of Detroit were among other speakers.

#### Direct Mail Plan

In common with many other companies, the Columbus Mutual, due largely to the efforts of James A. Preston, sales manager, is pushing the use of direct mail. The first address Friday morning was by D. Bobb Slattery, president of the Life Advertisers Association, who gave facts and figures on the benefits derived from the consistent and regular use of advance letters to prospects. Following this, two leading producers, John C. Dexter of Columbus, and Morris Levinkind of Chicago told how they had built up their production through the use of advance mailing pieces. One of Mr. Preston's stunts is to compile a list of leading prospects in a city (3,000 in Columbus) and send them a series of letters and leaflets on the Columbus Mutual. These names

and all leads therefrom are then passed on to those agents who will call and report.

The afternoon session Friday started with Russell Beadle, assistant to the president of the American Life, having the topic, "Profit in Estate Conservation." The basis of his presentation, which has enabled him to sell around \$1,000,000 a year for many years, is the statement that there are only three things that can be done with real or personal property: use it; take income from it; take profit from it. In any event it is taxed. Mr. Beadle then says all of the property a man accumulates is termed his "assets." When he dies his assets become his estate. He writes these words in capital letters, one under the others—

#### ASSETS ESTATE

He then crosses out the letters that are common to both words, which leaves two "S's" in assets and "T" and "E" in the estate. Thus, says Mr. Beadle, the man's death takes "Self" and "Skill" from his assets and leaves "Taxes" and "Expenses" for his estate.

#### Results of Young and Old

E. C. Danford of Columbus, 24 years old, told how he had sold 89 cases the past year, and it was noted that one of the youngest men in the company as well as one of the oldest, T. S. Berridge, both concentrated on lives with a resultant good volume.

The session was closed by an inspirational address by Rene Banks of Cleveland, who said the two primary requisites for a life man are courage and a capacity for friendship. He said that in choosing vocations many men ask themselves, "Am I qualified for it? Do I like it? Can I make it pay?" In selecting life insurance for his work, Mr. Banks thought: "I am qualified for it. I can make it pay. I will learn to like it." Fix your goal, he urged, determine what you want and then ask yourself: "Am I willing to fight for it?"

#### No Managerial System

The Columbus Mutual is unique among American life companies in that it has no managers or general agents. Renewal commissions are paid as usual but the length of time they are paid depends upon the amount of paid-for business. Any agent can appoint sub-agents and the production of these sub-agents counts in the production of the original agent by increasing the amount of renewal commissions he will draw upon his own production.

Voiced among the agents was appreciation for the work done during the past few years by Mr. Preston, one time general agent of the Missouri State, one time member of the home office agency force of the Penn Mutual, one time general agent of the State Mutual in Baltimore. Mr. Preston has developed a number of direct mail helps as well as a series of leaflets and folders for use in the interview.

One of the new men at the convention this year was Conn W. Moose of Omaha, state manager in Nebraska, who was formerly insurance commissioner of his state. For many years he was manager of the Home Life of New York in Omaha. In days gone by he was in the field for the Prudential.

#### Special Commission O.K.'s General American Life Plan

(CONTINUED FROM PAGE 4)

stances shall it go below \$1,500,000. The only departure from this provision will be when it becomes possible to retire all of the remaining outstanding stock.

Policyholders will name two of the six directors at the annual meeting in January, 1938, and three of the seven at the 1939 meeting. From then on there will be a gradual increase in the number of policyholder-named directors until all of the 13 directors are so named.

Pending complete retirement of the



stock, control of General American is vested in three trustees selected in accordance with a 10 year voting trust agreement. These trustees will name the directors that are not selected by policyholders. The trustees are W. W. Head, president of General American Life; S. W. Souers, vice-president, and P. B. McHaney, who until recently was an attorney for the Missouri department. These trustees were agreed upon by the directors of General American and Southwestern Life of Dallas which owns 45,000 shares of General American Life stock. The trust agreement provides for divorcement of management of General American and Southwestern.

Last June General American sold 30,000 shares of Southwestern Life to the latter company for \$60 per share. The plan is that General American will completely liquidate all of its stock investment in Southwestern so that eventually it will have no interest in any other life company.

Non-participating policyholders will be entitled to dividends that may be earned. Officers of General American state that in the past where large stock life companies were mutualized, the mutualization program reduced the annual net premium of the policies originally sold when operating on the stock plan. This is providing an effective talking point for agents of General American who are able to offer policies at non-participating rates with some promise of a dividend as well.

#### Hearing Was in Open

The hearing held by the special commission developed no opposition to the mutualization plan although opportunity was given to anyone desiring to be heard. The session was open to policyholders, stockholders, the press and the public. The witnesses who testified that the mutualization plan was for the best interest of the policyholders included O. J. Burian, actuary for General American, and the actuaries of the Missouri, Oklahoma and Texas departments. All agreed that the price of \$60 per share set on the General American Life was fair and reasonable to both policyholders and stockholders. Superintendent O'Malley presided at the session. After the conclusion of the testimony the special commission went into executive session, afterward announced its unanimous decision. Later in the day the amendments to the charter of General American Life were filed with the secretary of state.

Mr. McHaney has taken the place on the board and executive committee formerly occupied by David M. Milton of New York, while Mr. Souers has succeeded E. C. Huntington, Jr., of New York City.

## Old Road Retrod in Pacific Mutual

(CONTINUED FROM PAGE 3)

"It is my belief," he added, "that when this proceeding is finished the entire controversy between policyholders and the insurance commissioner regarding the Pacific Mutual reorganization will have been definitely settled."

Superior Judge Willis has approved a former order by Superior Judge Edmonds appointing Commissioner Carpenter conservator for the old Pacific Mutual Life. Judge Edmonds was declared disqualified to act in the matter of appointing a liquidator and approving a plan of rehabilitation for the company and both of his orders in connection with these phases of the affair were declared void by Judge Willis. In commenting on his ruling, Judge Willis said Commissioner Carpenter as conservator for the company may continue operating the organization in the same manner in which he has been conducting it under the orders previously issued by Judge Edmonds.

Immediately following his three rulings, Judge Willis began an orderly whittling away of the mass of legal mo-

tions which have been placed before him by the host of attorneys appearing in behalf of policyholders, stockholders and creditors. The next major legal action will be testimony and evidence to settle the question as to whether or not a liquidator is to be appointed and also whether the rehabilitation plan under which the company now is operating shall remain in effect. Judge Willis announced prior to his three rulings that he desired to make them at the moment so that all participating in the litigation, and all other interested parties, "should know where we stand."

#### Difference in the Orders

It was following this statement that the court declared that while Judge Edmonds could not be considered an interested party when he signed the order appointing Commissioner Carpenter as conservator, the order appointing him liquidator and the order approving the rehabilitation plan did not come in the same category. Judge Edmonds, it was pointed out by Judge Willis, has a \$5,000 life policy with the Pacific Mutual, and that while his first action of appointing a conservator was purely an administrative act, his two subsequent orders were not only administrative but also judicial, and, therefore, they could not be held valid.

#### Offer Made by One Company

In the course of the morning session Deputy Attorney-General Flynn stated to the court that only one offer to purchase the assets of the old company had been received from another company, and that this had not been considered because it did not provide protection of any kind for the interests of the non-cancellable policyholders. Mr. Flynn's statement was disputed by Irving Walker of the legal firm of Loeb, Walker & Loeb, representing a group of stock and policyholders, who declared that several offers had been made.

In a somewhat lengthy statement Judge Willis also said that in some quarters there appears to be a misunderstanding as to the nature of the present hearing. "We are not interested at present as to how or why the Pacific Mutual Life became insolvent, if it is insolvent," the judge said. "In a regular and orderly manner we must take up the various orders to show cause involving the appointment of a conservator, liquidator and the rehabilitation plan for the company."

#### Won the Major Point

Following the court's rulings, Mr. Flynn and Attorney Tuller declared that the insurance commissioner, by having his appointment as conservator of the company confirmed, had won the major point at issue and that with the new company already in operation the vacating of the other two orders would have little or no effect upon new Pacific Mutual as a going concern.

On Aug. 20, with a large attendance of policyholders and stockholders and more than 50 attorneys representing 22 legal firms, the hearing before Judge Willis on the question of authorizing the rehabilitation was resumed. In opening the hearing, Judge Willis declared that the proceedings "probably affect a half a million persons scattered over the whole country."

#### Negotiations for Sale

At the outset it was disclosed that new negotiations for a possible sale of the company with reinsurance had been undertaken by a committee of stockholders headed by A. C. Balch. This was brought out by I. M. Walker, attorney for H. S. Cook and other members of the Balch committee, who were among about 15 interveners in the proceedings. Mr. Walker presented a motion for a continuance, presenting affidavits signed by Mr. Cook in which it was asked that a period of not less than 60 days be allowed to make an examination of the entire structure of the Pacific Mutual with a view to a sale to another company. In the affidavit it was declared "a reputable concern" is willing to purchase the securities and reinsure the policyholders. "For obvious reasons,"

the affidavit continued, "the name of this concern should not be disclosed at this time." Judge Willis denied the motion for a continuance without prejudice.

Under the reorganization plan, which was actually carried out under Judge Edmonds' order, the assets were transferred to a new company, carrying virtually the same name. Commissioner Carpenter asked that this transfer again be approved on the ground that it is a necessary move in his program to preserve the assets. In his petition, Mr. Carpenter charged that the old company is insolvent because of insufficient reserves set up for payments of non-cancellable health and accident policies. It is proposed to reduce the benefits under these policies, of which there are an estimated 70,000, but to make no changes in the regular life policies.

#### Position in North Carolina

Commissioner Boney of North Carolina wrote to the court at Los Angeles and brought up the complaint that under the plan proposed whereby the non-cancellable policyholders are penalized, they would be "grossly discriminated against" in his opinion. Mr. Boney takes the position that it is the consensus of opinion in his state that the assets of the old company should be held responsible for all its contracts on a pro rata basis. He points out that these policyholders were sold their contracts with the representation that the entire funds of the company were supporting them on an equal basis with other policyholders.

Undoubtedly a few companies have looked over the Pacific Mutual Life business with the thought of offering reinsurance or management contracts. The big issue is over the non-cancellable business. One offer was a very favorable reinsurance contract but excluded non-cancellable disability. The Balch committee insists that the reinsurance must include the non-cancellable people.

In addition to Commissioner Carpenter of California, three other departments are represented at the legal hearing, through Commissioner Sullivan of Washington, Commissioner Ham of Wyoming and Deputy Commissioner M. V. Pew of Iowa.

#### Will Take Up Objections

Judge Willis is scheduled to open hearings later on an order to show cause why Commissioner Carpenter should not be appointed liquidator and his plan for rehabilitation approved. All objections then made will be noted without legal argument and suggestions for changes in the plan as it now stands will be placed in the court records. Judge Willis states, "After legal objections have been made and all objections to the plan have been received, together with any new plans or proposed changes for the old plan have come before the court without argument of any kind, the court will be adjourned and counsel will strive to iron out their differences." With all differences settled if this be possible, the completed plan then will be placed before Judge Willis for his final inspection and approval. A number of legal motions already before the court, the principal ones attacking portions of insurance code as unconstitutional, were denied.

## Gilroy Reviews Anti-Tax Fight

(CONTINUED FROM PAGE 4)

ing a campaign to convince state officials and legislators of the right of fraternal to continue to be tax exempt. The first step was the appointment of a general welfare committee headed by Dora Alexander Talley. This committee had officials of the societies conduct a census of the charitable activities of their local lodges. The larger societies complied with the request but some of the smaller societies sent incomplete reports or none at all, Mr. Gilroy declared.

The accumulation of this evidence clearly demonstrates that the fraternal

are in fact, as the statutes declare, charitable and benevolent institutions, he said. These reports should be sufficient to convince any fair minded state official that the funds of fraternal should be exempt from taxation.

Then a campaign committee was appointed to arouse fraternal certificate holders against those who are attempting to collect back taxes running into the millions. Mrs. Talley was also made chairman of that committee.

There must be continued vigilance to protect the interests of the fraternal system, he said. State fraternal congresses should be encouraged to greater efforts. Mr. Gilroy said that during the year he attended the meetings of nine state congresses.

Mr. Gilroy praised Commissioner Sullivan of Washington who had some friendly things to say about the fraternal in his presidential address before the National Association of Insurance Commissioners at St. Paul recently. "It seems unnecessary to add that the insurance commissioner of Missouri should file an exception to the remarks of President William A. Sullivan favoring the fraternal," Mr. Gilroy remarked.

#### Hits at O'Malley

Mr. Gilroy said that recently he received through the mails a communication from a benefit association of St. Louis. It offered \$1,000 death benefit and \$1,000 disability benefit without medical examination for an initial registration payment of \$1 and \$1 per month thereafter. Anyone was declared to be eligible who has good health and is less than 80 years of age. "This marvelous offer," Mr. Gilroy said, "emanated from the state where Mr. O'Malley is an outstanding advocate of 'sound' insurance."

During the year five associations were admitted to membership in the congress, they being the Brotherhood of Railroad Trainmen, Lithuanian Alliance of America, Scandinavian-American Fraternity, Verhovay Fraternal Insurance Association, and Zivens Beneficial Society. The Grand Fraternity was lost as a member because of its merger with Ben Hur Life. State fraternal congresses were organized within the year in Colorado, Wyoming and North Carolina.

Mr. Gilroy recommended that to the incoming executive committee be referred the problem created by the demands of some departments of public welfare that those receiving old age pensions cash in any life policies or certificates and use the proceeds for living expenses. In some states the old age pension applicant is permitted to retain in force a policy or certificate with a face value of \$250 or less with the understanding that the proceeds shall be used to pay for the expenses of last illness and burial. In other states elderly persons have a deduction made from their pension for life insurance premiums paid on account of the pensioner by responsible relatives.

## Broader Concept Is Urged by Pink

(CONTINUED FROM PAGE 3)

\$8,727,000, not a dollar of loss being due to failure of foreign companies having their United States branch offices in New York. The record of British and Canadian companies was likewise laudable during the three great conflagrations in Chicago, Baltimore and San Francisco.

Taking up the subject of insurance supervision, Mr. Pink declared that the Canadian superintendents' association and the National Association of Insurance Commissioners of the United States both have for their object closer cooperation, harmony and uniformity of law and practice. He pointed out this object is not so easily obtained in the United States, which has 48 states as compared to Canada's nine provinces. He particularly stressed the necessity for promoting in the United States greater uniformity in the entire industry.



# SALES IDEAS AND SUGGESTIONS

## Wants to Build Up a List of 500 People As Clients

At the Aetna Life convention at Hot Springs, Va., F. L. McFarlane of Cleveland, who was formerly an office man in the group department there and who desired to get into the production field, set as his goal 500 real clients and a yearly production of \$1,000,000. That, he declared, may be far in the future, but he told what his plans were to reach the goal. At least he has an objective. During the first six months he produced \$850,000 and considerable group. Mr. McFarlane stated what is in the mind of many agents today and that is unless it is possible to get a sufficient volume of business to enable a salesman to have enough income so that he can meet comfortable living standards he will be forced to enter some other line. He said that the big problem today in the field is to find people who will listen to the life insurance story and be responsive.

### Made a Study of a Successful Agent

When he decided to become a producer rather than an office man he studied the man in the Cleveland agency that he felt was outstanding and then analyzed his methods. He chose J. J. Jackson, who died on his way home last year from the convention. Every man is interested in some sort of a program and it is Mr. McFarlane's idea to let the prospect see the course of his insurance clear through. Mr. Jackson followed this plan and it made him friends. It created friendly contacts. He gained prestige and in this way built up a very useful body of policyholders.

Mr. McFarlane emphasized the need of conducting an interview under the right conditions where the mind of the prospect is not diverted to something else. He is seeking three closing interviews a day if possible. He means by an interview one in which he is given an opportunity to present the case in a serious way.

### Clientele Building Highly Necessary

Mr. McFarlane sees that it is necessary to get a sufficient number of clients and friends who will become the source of the greatest part of his new business. How many such clients must he have and what should be the production volume that he can look for? He set therefor \$1,000,000 for production and 500 for clients. He figures that each of his clients will buy a new policy on an average every four years. He will look to every client to give him one name of a friend or relative each year that will make a most excellent prospect. Mr. McFarlane only seeks out prospects who are earning \$200 a month or over. He is obtaining the names of possible clients together with all possible information regarding them. He is creating a book of prospects. He wants to know whether the wife of a prospect carries insurance, how many children he has and if they have juvenile policies. Has the insurance been programmed? What are his future insurance needs? Is he in line to buy business or group or influence such insurance?

Mr. McFarlane said that he endeavored to reciprocate at all possible times. He feels it is very essential for an agent to be on the alert to assist his policyholders and prospects in many ways. He tries to hold every man on his books. He makes the purpose of the policy

very clear and shows how it will pay out. He gives a man a summary of his insurance and endeavors to furnish a very clear picture.

People, he said, are very much interested in what insurance will do for them. If a policyholder has confidence in an agent and realizes that he is intelligently guiding him along life insurance lines he becomes his insurance counsellor. If he is approached by agents of other companies the policyholder then sends them to the man in whom he has great confidence. Mr. McFarlane said the bulk of his insurance comes from close friends. He never loses an opportunity to meet desirable individuals who he thinks will make good prospects. He tries to get 10 new referred prospects from someone in an institution where there are

a number of people employed. Through group insurance he comes in contact with the higher ups. If there is a group specialist on the ground, Mr. McFarlane said that he individually desires to come in contact with the executives in order that they might become clients or at least be able to refer him to others in the organization who would be prospects. He sends out blotters to people who tell him to come back in six months or so. It is very desirable, he said, not to wear out a man's welcome by calling on him too often but through the means of blotters or other material he keeps himself before these postponed cases. Where there is a big concern and it has inter office telephone directories he gets someone to mark the names of those that he counts fair prospects. Mr. McFarlane tried out a list of 1,500 names that he took out of the telephone directory and got only four replies from mail solicitation. He then began telephoning to these people who had received his material and in that way he was able to get an interview out of every four people that he called up.

## Building Up a Program for Income at Retirement Age

Harold Moore of Pittsburgh, general agent of the State Mutual, who spoke before the Columbus Mutual Life agency convention, was formerly a supervisor of the Penn Mutual in his city and started his career with the Connecticut Mutual there as an agent. He is a young man of growing importance. In his talk he said that every agent is primarily in the business to get results. He feels that there is a good opportunity for a life salesman at this time because more men are being employed and salaries are improving. He discovers many kinds of recovery activity in business.

### Fireside Soliciting Deemed Advantageous

Mr. Moore believes in evening solicitation at a prospect's home because he finds it very effective. Prospects, he said, are intensely interested in income and retirement plans. The companies have done much advertising as to family income, monthly income, etc., and he urged agents to cash in on the popularity of these plans. People, he discovers, are groping for security. In looking forward to the program of security the average man needs help in forecasting and it is the agent's opportunity to analyze the situation and visualize the future for him.

Mr. Moore said that an agent can talk to his prospect only when all other confusing and interrupting influences are eliminated. He should get his full attention and focus his mind on what is being presented.

### Extent of a Person's Period of Earning

He called attention to the fact that the average man's era of earnings runs between ages 25 and 65. He may start at a small salary and when he gets up to 30 or 35 his earning power increases. Take a man at age 25 who earns \$30 a week regularly up to age 65. Mr. Moore said that during that time he would have earned \$63,000, which is a very comfortable sum. There are productive years in the career of the average man. His income increases, say from age 30 up to age 50 or 55, and then probably begins to drop until he reaches age 65

and then in many cases his retirement is forced and he is just where he started. Therefore, Mr. Moore said it is very essential to prepare for age 65.

He called attention to an economic old age survey of a large number of cases and found in units of 100 that of those attaining age 65, five were independent, 38 were still working and 67 were dependent.

### Factors Necessary in Retirement Plan

It is necessary, he said, to get the right kind of a start and evolve a plan that one can afford to follow. In the first place, he said a plan must be perfectly safe and secure to attract attention. In the next place, it must be systematically kept up. He said that bankers will tell anyone that the average age of a savings account is two years. Unless there is something rather compulsory about it, the savings plan peters out because the money is used for some other purpose. In life insurance, both the company and the agents or the general agents keep at a man and do not allow him to lapse until every resource is exhausted. The plan for retirement, Mr. Moore said, must be one that will keep the builder free from care and worry. That is, he wants to know that the money that he has invested is safe and that he does not have to have any solicitude about it. In the next place, it must be a plan that is the least affected by loss of earnings. That is, in times of depression the life insurance fund is not affected at all. The average person fears depression because of the great loss that comes with it to his earnings and savings. In the next place, Mr. Moore said, this plan must be self completing. If he dies, the insurance is paid and the program is completed. Then again it must give a reasonable return. He said that this picture must be kept clearly in mind.

E. A. Roberts, vice-president and general counsel Minnesota Mutual Life, has returned from Halifax where he attended the annual meeting of International Gyro, and was elected first vice-president of that organization.

## SPARKS

### from the firing line

By JOHN W. AGENT

A prominent man in our city died suddenly last month leaving a widow and two small children. We were talking about his insurance with one of his pallbearers. He told us that the deceased had passed an examination for insurance the month before he died. A \$10,000 policy, which he badly needed, was issued, but the agent failed to get a note or check in payment, so the family lost \$10,000, less the nominal premium.

\*\*\*

The other day we called to follow up a letter and found that the executive we were to see had passed away several months ago. However, this led naturally to a discussion of life insurance with our informant, the deceased man's assistant, and we came away with an application.

\*\*\*

John Burns recently called on a clean cut young fellow on a change of address lead. He couldn't sell him any insurance because the prospect recently lost his job. But he immediately went to work on him from the standpoint of getting him to join our sales force and he's coming in to talk it over. We may add another promising "rookie" soon, thanks to John.

\*\*\*

App-a-week club members are always fired with enthusiasm. Some others who loaf too much are fired, without enthusiasm, by the manager.

\*\*\*

Quality agents write quality business which stays sold. If your persistency percentage is bad look for the answer within yourself, or in your selling methods.

\*\*\*

Paste over your desk this tip from Charles J. Frisbie of Seattle: "Footprints on the sands of time are not made by sitting down."

### Equitable Life Claims

The first seven months the Equitable of New York paid 130 ordinary death claims aggregating \$444,227 on policies in force less than a year. Of these 130 claims, 31 or nearly 24 percent, were due to accidents and 19 were caused by automobiles. The face amount of these accident claims totaled \$94,685. The double indemnity clause was included in 16 of the 31 policies and resulted in payment of \$29,741 additional. Three claims were on policies issued within 15 days.

## C.L.U. NEWS

### COLLEGE OFFERS C. L. U. COURSE

A complete insurance course leading to the C. L. U. designation has been inaugurated in the new evening college of Texas Christian University, Fort Worth, Tex. Four of the five sections as outlined by the American College of Life Underwriters will be offered in 1936-37, and the remaining will be added next year. Sections III and V will be taught by Prof. A. L. Boeck, the director, Sections I and II by Henry LeBlanc and Troy Whitehurst, assisted by Prof. Boeck. The course was offered experimentally last year to a selected group of six, of whom four passed all required examinations and two passed more than half. The first meeting of the classes will be Sept. 17.

## Aetna Life Personalities

(CONTINUED FROM PAGE 13)

in the afternoon and bridge and tea another time. The ladies were well looked after.

\* \* \*

**Bridge prizes** were given to Mrs. Herbert Moeller of Des Moines; Mrs. L. F. Deibel, Columbus; Miss Florence Klein, Columbus, O.; Miss Jean Briant, Poughkeepsie, N. Y.; Mrs. C. W. Hoeft, Oklahoma City; Mrs. S. G. Oprendeck, Dallas; Mrs. Lloyd Gordon, New Orleans; Mrs. W. F. Upshaw, Raleigh, N. C.; Miss Betty Keffer, New York City; Mrs. S. H. Friedman, Oklahoma City; Mrs. P. P. Schmidt, New York City, and Mrs. M. J. Panney of Grand Rapids.

\* \* \*

At the banquet Vice-president Whatley presented the trophy to **W. W. Luman** of New York City as the top producer. It is the Luther trophy.

\* \* \*

The **golf tournament** was held Tuesday afternoon. At the banquet J. S. Maryman presented the trophies, A. T. Eyer of Pittsburgh getting low gross, 85; second low, L. E. Harris, Washington, D. C., 86; third, Howard Nordlinger, Washington, D. C., 87. E. W. Nelson of Springfield, Mass., 74, won the blind bogey; Alex MacLeod, New York City, second, 78; A. K. Bailey, Charleston, third, 78, and F. L. Macfarlane, Cleveland, 78. These were all "regionnaires." The first guest-prize for low gross went to J. M. Olivier of Springfield, Mass. H. H. Chase, Pittsburgh, got the blind bogey, 76; Guy E. Mann, Washington, D. C., second, 78. In the sweepstakes, L. E. Huffman, general agent Charleston, W. Va., won first low, 83; second, Vice-president S. T. Whatley, 88; blind bogey, E. H. Morgan, Milwaukee, 73; J. E. Bailey, Dallas, 75; G. W. Medler, Milwaukee, 75; John N. Adams, Philadelphia, 75; Carl J. Dukes, Philadelphia, 77.

\* \* \*

There are 40 members of the "old guard," which means that they have qualified for the convention for six continuous years.

\* \* \*

Vice-president Whatley in his talk said that while the Aetna Life is a large company it is not so big that the individual is lost sight of. Each man in the organization he said gets recognition and is not lost in the crowd.

\* \* \*

At the first business session A. J. Osthelmer, III, Philadelphia, presided and at the second, Arthur E. Hicks of Chicago, and at the third, Lloyd J. Gordon of New Orleans.

\* \* \*

At the banquet Dewey R. Mason, general agent at Jacksonville, who will soon take charge of the Syracuse agency, was toastmaster. He is very resourceful, very humorous and takes cognizance of incidents that have taken place during the convention. In many ways he makes an ideal toastmaster and is recognized as such in the Aetna Life organization.

\* \* \*

There were eight men who qualified for the life convention of the Aetna Life at Hot Springs who also qualified for

the Aetna Casualty convention to be held in September. Those qualifying were A. E. Hicks and Rudolph Leboy, Chicago; J. I. Opperman, Milwaukee; R. W. Gipson, Peoria; J. M. Hannaford, Jr., St. Paul; L. E. Harris; J. S. Holmes and Howard Nordlinger, Washington, D. C.

\* \* \*

**R. S. ("Rock") Edwards**, general agent in Chicago, is a famous football star, having played on the Dartmouth team. Another latter day Dartmouth football star in the Chicago delegation is **G. P. Stangle**.

\* \* \*

Every man qualified for the convention, who is called a "regionnaire," was asked to pick someone from his agency who is not a regionnaire, and try to get him to qualify for 1937.

\* \* \*

**H. C. Fisher** of Washington, D. C., was the first Aetna Life C. L. U.

\* \* \*

**Gordon H. Campbell** of Little Rock, general agent, is a former southern tennis champion.

\* \* \*

**Mrs. S. T. Whatley**, wife of the vice-president, one of the very handsome and charming women from the home office, knows all the general agents and many of those who qualified for the convention. She assists in entertaining the women. At the banquet Mrs. Whatley had a table with some guests in front of the speakers' table.

\* \* \*

The **Little Rock** delegation at the banquet wore Scotch hats. They kept singing, "The Campbells Are Coming." Gordon Campbell, general agent, sat at the speakers' table next to President Brainard.

\* \* \*

The **Chicago** delegation at the banquet wore false mustaches, giving them a sinister and piratical appearance. The **Boston** delegation came dressed in Pilgrim costumes.

\* \* \*

**M. B. Brainard, Jr.**, assistant treasurer, son of the president, is one of the very likeable men of the home office organization, who has made good in a big way on his own account. Young Brainard is a junior executive who is giving his time to investments. He was in the investment field and then started in the casualty department at the head office, being there for a few years and then was shifted to the treasurer's department on account of his investment training.

\* \* \*

A number of prominent general agents were formerly in the **home office agency department**. In fact, the Aetna Life has found it a good training school to get promising young men, giving them a schooling in the agency department and send them out as general agents. Nearly all have made an exceptional success. **L. O. Schriver**, general agent at Peoria, who is now president of the National Association of Life Underwriters, and attended the convention, was formerly superintendent of agents and wrote the

Aetna Life's first training course. Others who have been in the agency department are **K. A. Luther**, New York City general agent; **W. F. Stone**, St. Paul general agent; **Clyde F. Gay**, Boston general agent; **H. W. Florer**, Grand Rapids general agent; **Dewey R. Mason**, Jacksonville, Fla., general agent, who soon takes the Syracuse agency; **John N. Adams**, assistant general agent at Philadelphia, and **J. W. DeForest**, Buffalo general agent.

\* \* \*

**R. F. Cook**, assistant secretary group department, who towered far above the reading desk, evoked a storm of commands "Stand up so we can see you." Mr. Cook in his address revealed himself to be a reading man and well versed in the classics.

\* \* \*

At the close of President Brainard's welcome, the **Texas** delegation who had marched in, all wearing 10-gallon hats, gave him a grand salute. The delegation was in charge of **Elmer Abbey**, San Antonio general agent. The men and women were known as the "Texas ranchers." Mr. Abbey called three little girls known as "ranchettes" to the front and Mr. Brainard was presented with a Texas hat. Later one was given to Vice-president S. T. Whatley.

\* \* \*

Two of the merrymakers in the Gordon H. Campbell general agency at Little Rock made rapid fire talk all the time, they being **Joe S. Maryman** and **Foster Vineyard**, supervisor. They made a wonderful team.

\* \* \*

**H. G. Robbins** of the Philadelphia office is almost blind. He has qualified for the club eight successive years. As he came up to get his trophy, Vice-president Whatley said it gave him unusual satisfaction to present a gift to this agent who in spite of his disability is able to write a lot of business.

\* \* \*

**E. G. Schmitt** of the New Haven agency, it was announced, had qualified already for the 1937 convention. He has qualified for the last nine years.

\* \* \*

The "Big Ten" of the **Chicago** agency were present with white helmets led by General Agent **R. S. Edwards**.

\* \* \*

The Aetna Life has **26 C. L. U.'s**. They had a luncheon with **H. C. Fisher** of Washington, D. C., as chairman.

\* \* \*

The **Detroit** delegation led by General Agent **H. K. Schoch** wore carmine coats, white trousers with yellow stripes. On their first entrance to the dining room they had a small dog mascot.

\* \* \*

One of two women best known to the Aetna Life people is **Emma Beal** of Galveston, Tex., who has qualified for eight years and is the only woman agent in the "Old Guard," which consists of those that have had uninterrupted qualification for regional meetings since their inauguration eight years ago. The other agent who is very popular and well known is **Bess McGowan** of Kansas City, Mo., who has qualified for five years.

\* \* \*

The Aetna Life people were much interested in the waiters who carried large trays of food on their heads and there was never a catastrophe.

\* \* \*

**R. H. Pierce**, editor of the "Life Aetnaizer," was busy taking photographs at every stage of the game for the convention edition which will come out in September. He got a number of candid photos.

\* \* \*

When **W. H. Dallas**, assistant vice-president, came to the platform the last session to participate in his skit, exhibiting a day in the underwriting department a bulletin announced that it was his birthday anniversary and hence the international birthday song was given in his honor.

\* \* \*

Next year the Aetna Life will have its conventions in two parts. All from Chicago west will go to the Broadmoor hotel, **Colorado Springs**, and from Chicago east will go to **Virginia Beach**. This will divide the country into two equal parts and will give each convention greater strength.

\* \* \*

At the banquet a big hand was given to two newlyweds. **P. P. Schmidt** of the Luther-Keffer delegation from New York City was present with his bride.

## Fraternal Field Managers Confer

(CONTINUED FROM PAGE 6)

or two points are brought into the sales talk.

Conservation rests ultimately with the field men, hence the importance of selecting them carefully and training them to diagnose needs correctly and prescribe their solution, said A. O. Benz, president Aid Association for Lutherans. Only full time men with life insurance as their career will produce the kind of business that persists, he warned.

### Lodge as Steadying Force

Mr. Benz stressed the lodge's value as a steady force, a meeting place for those who want to discuss national problems in a constructive way without advocating radical measures.

The Fraternal Field Managers Association was formed in February in response to a growing demand for better sales training for fraternal field representatives.

That fraternalists must finance their new field representatives, was the view expressed by A. R. Colvin, general sales manager of the Fidelity Life Association of Illinois, in an address before the field managers conference. "Methods for Financing Fraternal Field Representatives," was his topic.

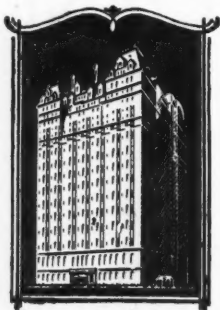
Mr. Colvin expressed the belief that the method of financing is not important. Any sensible method is all right if the man being financed is the right type. When proper care is used in recruiting and the new man is properly educated in life insurance salesmanship and in fraternalism, the society can with safety make a financial investment in the new man.

The professional "do-ers" of fraternal societies should be avoided. He referred to these as "leeches who gyp first your society and then mine." The best field representative is a man who was at one time successful in some other line but who because of conditions over which he had no control could not continue in that particular business.

Field representatives should be qualified just as carefully as the field men are urged to qualify their prospects.

He expressed doubt that the right type of man could be recruited without financing. Unless a man is financed during his early days of discouragement in the business, his morale is likely to be broken or he may become dishonest.

## BELLEVUE STRATFORD



One of the few famous hotels in America—One of the great Hotels of the World—offering a traditional hospitality—a distinguished cuisine—and every modern comfort for travelers.

Rates begin at \$3.50

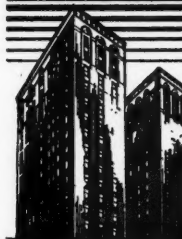
CLAUDE H. BENNETT, Gen. Mgr.

## IN PHILADELPHIA

(Air-Conditioned Restaurant)

## BARLUM HOTEL

WHERE OLD-FASHIONED HOSPITALITY AWAITS YOU



810  
OUTSIDE  
ROOMS

\$2  
A DAY AND UP

## DETROIT



CADILLAC SQUARE  
BATES STREET